REAL PROPERTY APPRAISAL REPORT

LOCATION:	1160 Dillon Road Louisville, Colorado
OWNERSHIP:	City of Louisville
PARCEL NO.:	8A

SUMMARY REPORT
PARTIAL TAKE NARRATIVE REPORT

PREPARED FOR:

Ms. Nancy Terry
Region 6 ROW – Appraisal
Colorado Department of Transportation
2000 S. Holly Street
Denver, Colorado 80202

PREPARED BY:

Bonnie D. Roerig, MAI

Bonnie Roerig & Associates, LLC
Real Estate Analysts • Valuation Consultants
1873 S. Bellaire Street, Suite 1222
Denver, Colorado 80222–4359

PROJECT:	**US 36 Managed Lane Project**
PROJECT CODE:	**18907**
PROJECT NO.:	**NH 0361–103 Segment F**
APPRAISER:	**Bonnie D. Roerig, MAI**
DATE OF VALUATION:	**February 28, 2013**
DATE OF REPORT:	**March 15, 2013**

Real Estate Analysts
Valuation Consultants

Bonnie Roerig & Associates, LLC
Bonnie D. Roerig, MAI

March 15, 2013

Ms. Nancy Terry
Region 6 ROW – Appraisal
Colorado Department of Transportation
2000 S. Holly Street
Denver, Colorado 80202

RE: PROJECT: US 36 Managed Lane
LOCATION: 1160 Dillon Road
Louisville, Boulder County, Colorado
OWNERSHIP: City of Louisville

Dear Ms. Terry:

This is my real property appraisal report for the referenced property with an effective date of appraisal and valuation as of February 28, 2013. The purpose of this appraisal is to provide an opinion of compensation for the reasonable market value of the property actually taken; compensable damages, if any, to the residue; and specific benefits, if any, to the residue. Only the underlying land/site value and affected improvements acquired in the taking area have been valued in this appraisal per CDOT assignment condition. The development of my appraisal is contained in the attached appraisal report which sets forth my conclusions, supporting data, and reasoning.

I understand that this appraisal may be used in connection with the acquisition of land for the referenced project to be constructed the Colorado Department of Transportation. If necessary, this report with supporting data, analyses, conclusions, and opinions is to serve as a basis for court testimony for condemnation trial purposes. This appraisal report will become a public record after final settlement with the owner or after the conclusion of legal proceedings.

The reasonable market value and compensation estimate are subject to certain definitions, assumptions and limiting conditions, and certification of appraiser set forth in the attached appraisal report. Based upon my independent appraisal and exercise of my professional judgment, my compensation estimate for the acquisition as of February 28, 2013 is **$34,210.** Note that this appraisal is based on adoption of an extraordinary assumption relative to environmental issues. This extraordinary assumption may have affected the assignment results.

Sincerely,

Bonnie D. Roerig

Bonnie D. Roerig, MAI (AI)
Colorado Certified General Appraiser #CG1313395
BDR/ma

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Executive Summary

Project:	US 36 Managed Lane Project, Segment F
Project Code:	18907
Project Number:	8A
Name of Owner:	City of Louisville, Colorado
Property Address or Location:	1160 Dillon Road, Louisville, Colorado
Project Location:	US Highway 36, McCaslin Blvd. to S. 88th Street, Boulder County, Colorado
Property Interest Appraised:	Fee simple
Owner Present at Inspection:	Yes; Mr. Joe Stevens was present on February 28, 2013
Effective Appraisal/Value Date:	February 28, 2013
Date of Appraisal Report:	March 15, 2013
Environmental Concerns:	No environmental investigation has been provided and I am not qualified to make such investigation. The value estimate is based on adoption of the extraordinary assumption that the site is "clean." This assumption may have affected the assignment results.
Larger Parcel Land/Site Area:	2.676 acres according to project plans. Boulder County records show 2.6 acres. The subdivision plat states 2.2614 acres. The plan area has been adopted for purposes of this appraisal.
Owner Improvements:	All of the property except the westerly and easterly ends is significantly improved with sprinklered landscaping, mature trees, and transit improvements all of which are owned by Regional Transportation District. Impacts to existing landscaping and irrigation at the RTD park–n–rides west of McCaslin Boulevard are to be replaced in kind. CDOT will acquire the property subject to RTD's easement and most of the landscaping will not be impacted by the project. Those landscape improvements impacted will be mitigated by the contractor per the above requirement. On this basis, the scope of work for this assignment pertains to the value of the land only.
Subject Five– Year Sales History:	The subject Tract A along with Tract B, Colony Square, were conveyed to the City of Louisville by T. E. Associates, LLC on December 6, 1994. There have been no subsequent open market, arm's length transactions of the property.
Zoning:	The City of Louisville shows the property in the "Park" area which includes green spaces, trail corridors, and right–of–way.
Highest/Best Use Before Take:	Open space and natural areas
Highest/Best Use After Take:	Unchanged, based on project mitigation of all impacts to the existing site improvements.
Part Taken Total Land/Site Area:	50,383 square feet; 1.157 acres
Damage Considerations:	None noted

Cost to Cure:	None
Special Benefits Considerations:	None noted

Value and Compensation Conclusions	
Larger Parcel Value Before Take	
Site Value	$93,785
Improvements Value	
Larger Parcel Value Before Take	**$93,785**

Value of Part Taken						
Site Value of Part Taken:						
Parcel	Area	Unit Value	Rate (%)	Value	Total Value	
8A unencumbered	25,633 SF	$0.90/SF	100%	$23,070		
8A encumbered	24,750 SF	$0.90/SF	50%	$11,138		
Site Value of Part Taken, rd.					$34,210	
Easement Value of Part Taken:						
Parcel	Area	Unit Value	Rate (%)	Value	Total Value	
Easement Value of Part Taken						
Improvements Value of Part Taken:						
Imp. No.	Description (Type, Size, Age, Condition, etc.)			Contr. Value	Total Value	
Total Improvements Value of Part Taken						
Value of Part Taken						**$34,210**

Residue Value Before Take		
Larger Parcel Value and Improvements Before Take	$93,785	
Less: Value of Part Taken	$34,210	
Residue Value Before Take		**$59,575**

Residue Value After Take		
Site Value – Residue After Take	$59,575	
Improvements Value – Residue After Take		
Residue Value After Take		**$59,575**

Compensable Damages to Residue After Take	**$-0-**
Indicated Specific Benefits to Residue After Take	**$-0-**

Compensation Summary		
Land Value of Part Taken		$34,210
Compensable Damages – Residue After Take		
Restoration Cost (Cost to Cure) – Residue After Take		
Specific Benefits – Residue After Take		
Net Compensable Damages (and/or Offsetting Specific Benefits) to Residue		
Rental Value of Temporary Easements		
Compensation Estimate		**$34,210**

Subject Property

(Note: outline of subject property is for illustrative purposes only.)

PART 1 – SCOPE OF WORK

Assumptions and Limiting Conditions

The certification of the appraiser who developed this report is subject to the *Assumptions and Limiting Conditions* that are listed below:

Extraordinary Assumptions

Definition of Extraordinary Assumption: "*An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.*"

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, Washington DC, 2012–2013 Ed., U–3.

This assignment is to estimate compensation for the proposed CDOT acquisition under the extraordinary assumption that the subject site is "clean." No information is available regarding potential environmental hazards at this property. USPAP requires disclosure that this may have affected assignment results.

Hypothetical Condition

Definition of Hypothetical Condition: "A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis."

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of the data used in an analysis.

Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, Washington DC, 2012–2013 Ed., U–3.

No hypothetical conditions were adopted in this analysis.

General Assumptions and Limiting Conditions

1. The legal descriptions, land areas, surveying and engineering data provided by the Region are assumed to be correct. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photographs and exhibits are included for the same purpose. Site plans are not surveys unless prepared by a separate surveyor.

2. This is a summary appraisal report, which is intended to comply with the reporting requirements set forth in Standards Rule 2–2(b) of USPAP.

3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report. The property is appraised "as if free and clear" of liens and encumbrances, but subject to existing easements, covenants, deed restrictions, and rights–of–way of record, and excepting therefrom all rights to oil, natural gas, or other mineral resources beneath such real property. This mineral interest exception is an assignment condition.

4. Opinions, estimates, data, statistics, exhibits, drawings, sketches and similar materials furnished by others in the course of studies relating to this report are considered reliable unless otherwise noted.

5. Responsible ownership and competent management of the subject property are assumed.

6. This report is as of the date set out and is not intended to reflect subsequent fluctuations in market conditions, up or down. As an assignment condition, no specific exposure time is linked to the value and compensation conclusions in this appraisal report, however, reasonable exposure time is presumed. This is in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions, which is a guiding document in eminent domain appraisal procedures and policies followed by CDOT and by other agencies, organizations and appraisal professionals.

7. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or arranging for engineering studies that may be required to discover them.

8. It is assumed the subject property complies with all applicable zoning and use regulations and restrictions, unless non–conformity has been stated, defined, and considered in this appraisal report.

9. It is assumed the use of land and improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass unless otherwise stated in this report.

10. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection of the subject property. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the subject property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.

11. Certain tabulations in this report include embedded Microsoft® Excel spreadsheet objects. The numbers displayed in these objects are computed by the program with unrounded numbers except where they are labeled as "Rounded to." This spreadsheet cannot be checked by use of a calculator unless it is a financial calculator which also uses internally unrounded numbers. The tabulation displays to zero or two decimal places, as appropriate.

Purpose of the Appraisal

Eminent domain appraisal is subject to the Code of Federal Regulations (CFR) and the federal Uniform Act appraisal requirements, Colorado Revised Statutes (C.R.S.), and Colorado Jury Instructions (CJI). Real property appraisal development and reporting are subject to the *Uniform Standards of Professional Appraisal Practice (USPAP).*

The purpose of this appraisal was to develop a compensation estimate for the reasonable market value of the property/property rights being sought; compensable damages, if any, to the residue; and specific benefits, if any, to the residue. Referred to as the modified state before–and–after rule, steps to develop a compensation estimate for the acquisition of real property are:

1. Larger Parcel Value Before Take
2. Value of Part Taken (including easements acquired)
3. Residue Value Before Take (Value of Larger Parcel Before Take Less Value of Part Taken)
4. Residue Value After Take (including encumbered easement areas acquired)
5. Analysis of Damages and/or Benefits
6. Rental Value of Temporary Easements
7. Compensation Estimate Summary

Please see the Appendices for further details about the steps outlined above.

Identity of the Clients and Intended Users

This appraisal report has been prepared for the client, CDOT. Intended users of this appraisal report include representatives of CDOT, attorneys with the Colorado Office of the Attorney General, and representatives of RTD. Other known users include the property owner or the owner's personal representative, and/or property owner's attorney.

Intended Use of the Appraisal

The intended use of the appraisal is in connection with the acquisition of right–of–way for the referenced project to be constructed by CDOT which includes Federal–aid highway funding. If necessary, this appraisal report with supporting data, analyses, conclusions, and opinions is to serve as a basis for court testimony in condemnation trial proceedings. The appraisal report will become a public record after settlement with the property owner or at the conclusion of legal proceedings if necessary.

Real Property Interest Appraised

The real property interest of the subject larger parcel before take, the part taken, and residue after take are valued as fee simple estate (title). The property is appraised "as if free and clear" of all liens, bond assessments, and indebtedness, but subject to existing easements, covenants, deed restrictions, rights–of–way of record, and excepting therefrom all rights to oil, natural gas, or other mineral resources beneath such real property. This mineral interest exception is an assignment condition.

Definition of Reasonable Market Value

For purposes of this assignment, reasonable market value is defined as:

> The value you are to determine for the property actually taken is the reasonable market value for such property on (February 28, 2013). "Reasonable market value" means the fair, actual, cash market value of the property. It is the price the property could have been sold for on the open market under the usual and ordinary circumstances, that is,

> under those circumstances where the owner was willing to sell and the purchaser was willing to buy, but neither was under an obligation to do so.
>
> In determining the market value of the property actually taken, you are not to take into account any increase or decrease in value caused by the proposed public improvement. (CJI–Civil 4th, 36:3)

Colorado Revised Statutes also addresses project influence:

> Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, shall be disregarded in determining the compensation for the property. (§24–56–117(1)(c), C.R.S.)

The Jurisdictional Exception Rule of USPAP applies to Standards Rule 1–4(f). In Standards Rule 1–4(f), anticipated public or private improvements must be analyzed for their effect on value as reflected in market actions. This is contrary to law for eminent domain appraisal. Jurisdictional exception authorities are Uniform Act, Title III, § 301(3); 49 CFR § 24.103(b); § 24–56–117(1)(c), C.R.S.; and CJI – Civ. 4th, 36:3.

See definitions of other terms and pertinent acronyms listed in the Addenda.

Effective Date of Appraisal

The effective date of appraisal, reasonable market value opinions, and compensation estimate for the proposed acquisition is as of February 28, 2013. Photographs of the property included in this report were taken by me on that date.

Date of Appraisal Report

The date of this appraisal report is March 15, 2013.

Date of Property Inspection and Owner Accompaniment

An offer was made to the owner to be present during the inspection on February 28, 2013. The offer was accepted and Mr. Joe Stevens joined the inspection held on that date. Ms. Lisa Gerondale, right of way agent with CDOT, was also present along with another employee of the city.

Project Identification and Description

US Highway 36 between Denver and Boulder opened as a toll road in 1951. The toll road bonds were paid off early and the tolling infrastructure was removed in 1968. When it was built, this four lane road had only one interchange between Denver and Boulder. In response to rapid population growth, there are now 10 interchanges along US 36 between I–25 and Boulder. However, the number of main through–lanes has remained at four.

In December on 2009, the Colorado Department of Transportation completed an Environmental Impact Statement which described Preferred Alternative improvements to the corridor which would be implemented in the future as funding became available. The main elements in the Preferred Alternative include one buffer–separated managed lane in each direction, Bus Rapid Transit (BRT) ramp stations, auxiliary lanes between most interchanges, and a bikeway. These are the first steps in implementing improvements described in the *US 36 Environmental Impact Statement*.

The project is a joint CDOT/RTD project entailing phased reconstruction of US Highway 36 including one managed lane in each direction, bike commuter trail and replacement of selected bridge structures on the corridor. What has been identified as Segment E, in which the subject property is located, impacts 12 parcels in nine ownerships. Segments E and F encompass approximately two miles of US 36 between 88th Street and McCaslin Boulevard. Construction began in summer 2012 and is anticipated to be completed by 2014.

Right–of–Way Plans Relied on for Valuation Purposes

This appraisal was made under the assumption the acquisition for the proposed public improvement will occur as shown on CDOT's right–of–way plans for the project last modified October 23, 2012 and November 8, 2012, copies in the addenda. If any modifications are made to the plans, the appraiser reserves the right to revise the appraisal and appraisal report to reflect the change, if appropriate and necessary.

Scope of Research and Analysis

The extent of the process of collecting, confirming, and reporting data was consistent with the typical standard of care involved in consideration of the applicable approaches to value and conveying the results in a summary appraisal report. The steps taken in this analysis included extensive research into the nature of the location of the property, study of economic factors affecting the market as of the date of appraisal, physical inspection of the property, complete data research into available comparable sales, including examining recorded deeds, personal inspection and photographing of the sales, confirmation of sales with either the buyer or seller, analysis and adjustment of the sales, and conclusion of the value of the property appraised, in this case, by the sales comparison approach.

There are three approaches by which the value of real estate may be estimated: sales comparison, cost, and income capitalization approaches. USPAP Standards Rule 1–4 covers the three approaches to value.

Summary of Appraisal Problems

The principal problems considered in the appraisal process included those of the market value of the subject larger parcel and the total compensation due for the property actually being sought. Market support for the value of the subject larger parcel before the acquisition was based on the sales comparison approach.

A further consideration is the effect of the project on the value of the residue (remainder) parcel. This step included consideration of any sources of loss in value of the residue and any potential sources of benefits.

PART 2 – FACTUAL DATA – LARGER PARCEL BEFORE TAKE

Identification of Larger Parcel Before Take

Appraisal for eminent domain is unique in that it requires consideration of damages and/or benefits to the residue property after take when a partial taking occurs, thus the larger parcel from which a taking will be made must be determined.

Three conditions establish the larger parcel for the consideration of compensable damages and/or special benefits. The three conditions include the portion of a property that has:

- unity of ownership
- contiguity
- unity of use

In the subject case, the larger parcel is defined as the property owned by the City of Louisville, legally described as Tract A, Colony Square, County of Boulder, State of Colorado.

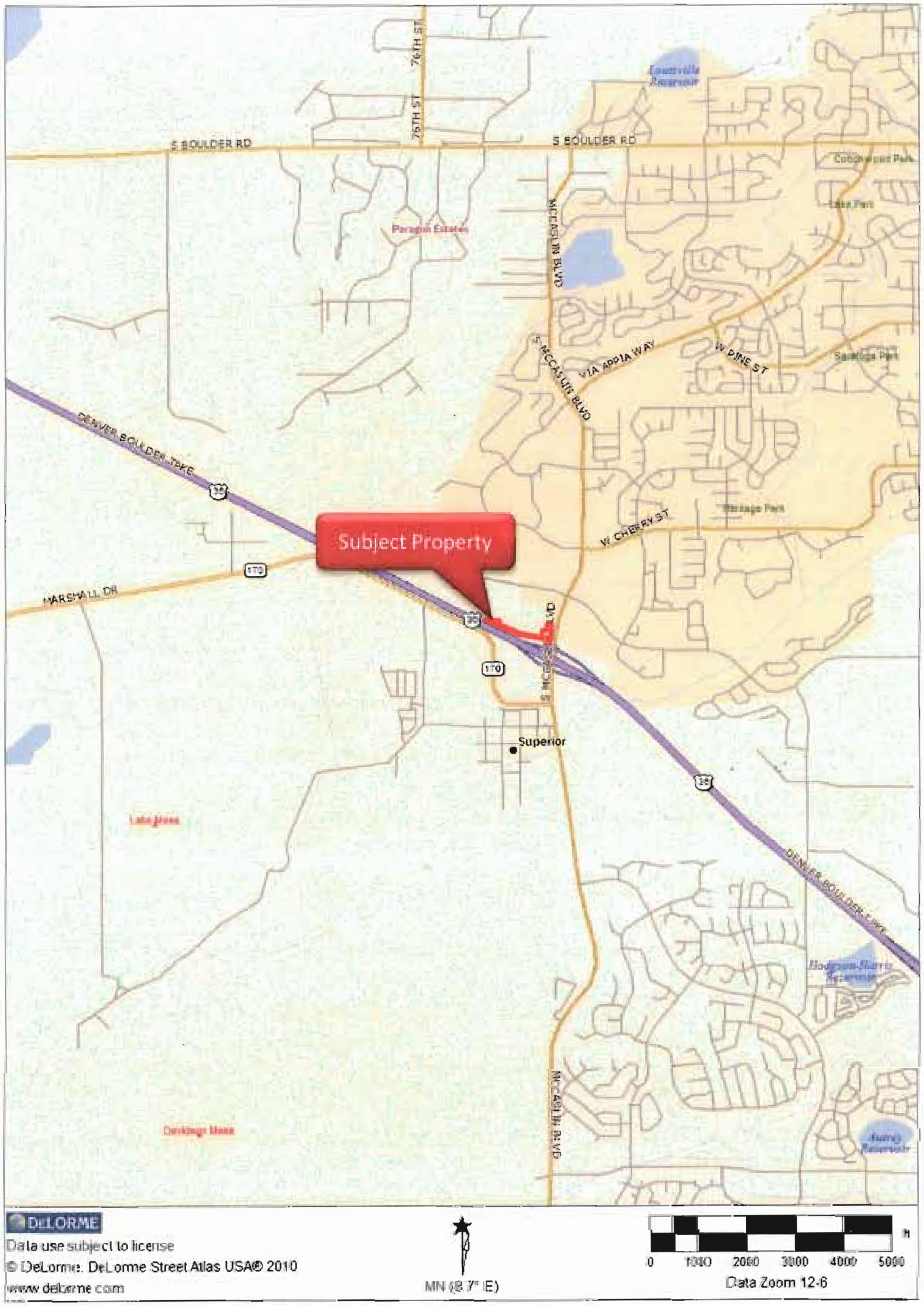
The property legally described in this fashion comprises the larger parcel for this assignment, consisting of 2.676 acres according to the project plans. For information, the property is assessed by Boulder County under Property Identification Number 157713010008. The County shows the parcel size to be 2.6 acres. The subdivision plat shows the parcel size to be 2.2614 acres. The plan area has been adopted for this assignment.

Location Analysis Summary

Provided in the addenda is a detailed description and analysis of the external market influences affecting the general subject area. What follows is a summary of the specific locational factors having a bearing on the subject property.

- The property is located on the northeast side of US Highway 36 (Denver–Boulder Turnpike) south of the Colony Square Shopping Center off McCaslin Boulevard. This project includes a Home Depot and a Lowe's along with a Regal Stadium 12 theater and a number of restaurants, offices and other retail properties. The subject is immediately south of the theatre and Home Depot.
- West of the property are rural residences along Dyer Road, an extension of W. Dillon Road west of McCaslin.
- On the east side of McCaslin is the Centennial Gateway development offering a Courtyard by Marriott and a Hampton Inn along with several restaurants.
- There is a multi–tenant office complex, Corporate Center at Centennial Valley, located northeast of the subject. West of Centennial Parkway which leads to the Corporate Center, West Dillon Road narrows and becomes Dyer Road. This dead–ends west of the subject parcel.
- Open space lands are situated northwest of the subject as well as south of the turnpike.
- The heart of the Town of Superior is located south and west of the subject area, offering retail, office and residential properties. Homes include single–family detached homes in addition to townhomes and condominium units. More details of both Superior and Louisville are provided in the general location analysis in the addenda.
- Economically developable parcels in the subject area are poised for further development when conditions warrant.

Location Map



Property Data – Larger Parcel Before Take

Site Data

Location

1160 Dillon Road; northeast side US Highway 36, west of McCaslin Boulevard, Louisville, Colorado.

County Assessor Parcel Number

157713010008

Present Use

Vacant land with site improvements belonging to Regional Transportation District.

Land Size, Shape, Dimensions, and Frontage

The larger parcel is an irregularly shaped parcel that wraps around the south part of several platted lots in Colony Square, along the northeasterly right–of–way line of US Highway 36. The shape is shown on various exhibits throughout this report.

CDOT project plans show 2.676 acres. According to County records, this parcel is 2.6 acres in size. The subdivision plat shows 2.2614 acres. The plan area has been adopted for this assignment.

Access

The status of formal vehicular access to the property is unknown. There is access for pedestrians via concrete sidewalks to access the bus waiting area and the pedestrian overpass as shown in the property photographs.

Street Improvements Description

Dillon Road on the north side of the subject parcel is a two–lane asphalt–paved local street with concrete sidewalk, curbs and gutters in the area north of the subject. Dillon Road intersects with McCaslin Boulevard approximately north of the property.

US Highway 36 is a multi–lane median–divided highway with controlled access. The subject is situated northeast side of the highway along its right of way.

Visibility and/or View

The property has good visibility from the highway and from McCaslin. Much of the property is higher than the grade of the highway.

Topography

The property is generally level to sloping. Topography is shown in the property photographs provided at the end of this section.

Floodplain, Wetland, and Drainage

Boulder County flood mapping for the subject area confirms that the parcel is not in a flood hazard zone. A copy of the map is provided in the addenda. The closest flood area is the Coal Creek channel located southeast of the subject parcel.

Soil, Subsoil and Water Conditions

No information was available pertaining to the soils or subsoils at this specific property. Nearby properties have been improved with various structures for many years, tending to indicate that the soils and subsoils are conducive to development.

Easements, Encroachments, and Restrictive Covenants

Title information was provided for this assignment. Exceptions noted include the following in addition to a minerals reservation dated April 1916 (items excerpted from title commitment dated April 13, 2012):

11. RIGHT OF ACCESS GRANTED TO THE STATE HIGHWAY DEPARTMENT IN INSTRUMENT RECORDED NOVEMBER 21, 1950 IN BOOK 878 AT PAGE 269.

12. OIL AND GAS LEASE TO TETON ENERGY COMPANY, RECORDED SEPTEMBER 20, 1979 AT RECEPTION NO. 360671. AFFIDAVIT OF PRODUCTION, RECORDED MAY 20, 1982 AT RECEPTION NO 495333

13. EASEMENT AND RIGHT OF WAY GRANTED TO UNION RURAL ELECTRIC ASSOCIATION, RECORDED DECEMBER 15, 1982 AT RECEPTION NO. 524350

14. TERMS AND CONDITIONS OF ANNEXATION AGREEMENT RECORDED FEBRUARY 26, 1988 AT RECEPTION NO. 904896 AND RE-RECORDED APRIL 3, 1989 AT RECEPTION NO. 975052.

15. TERMS AND CONDITIONS OF ANNEXATION AGREEMENT RECORDED OCTOBER 29, 1993 AT RECEPTION NO 1355210.

16. TAXES, LIENS, FEES AND ASSESSMENTS BY VIRTUE OF INCLUSION OF THE SUBJECT PROPERTY IN THE LOUISVILLE FIRE PROTECTION DISTRICT, AS EVIDENCED BY INSTRUMENT RECORDED JANUARY 20, 1994 AT RECEPTION NO 1386008.

17. EASEMENTS, RIGHTS OF WAY, NOTES, PROVISIONS AND DEDICATIONS AS SHOWN ON THE FINAL PLAT OF COLONY SQUARE RECORDED DECEMBER 7, 1994 AT RECEPTION NO. 1483501.

19. SUBDIVISION AGREEMENT FOR COLONY SQUARE RECORDED DECEMBER 7, 1994 AT RECEPTION NO. 1483503.

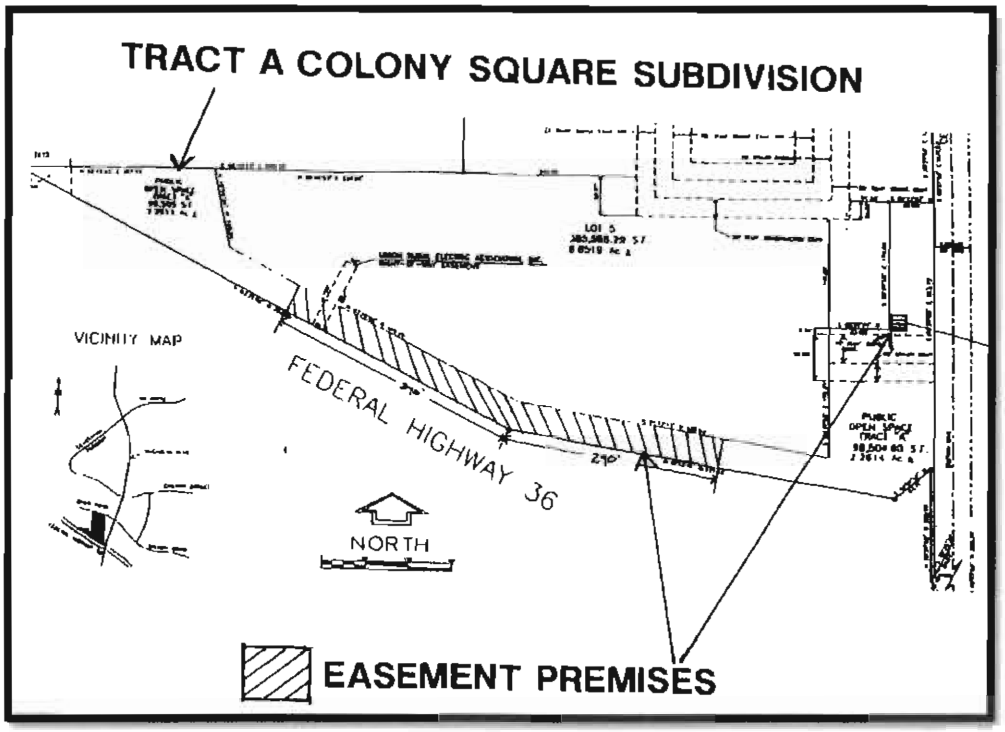
20. ORDINANCE NO. 1129, SERIES OF 1993, VACATING A PORTION OF SOUTH 80TH STREET, BY AND CITY COUNCIL OF THE CITY OF LOUISVILLE, RECORDED AUGUST 1, 1994 AT RECEPTION NO. 1451050.

21. GRANT OF EASEMENTS AND AGREEMENT, GRANTED TO THE REGIONAL TRANSPORTATION DISTRICT, RECORDED MARCH 22, 2005 AT RECEPTION NO. 2673407.

22. GRANT OF EASEMENTS AND AGREEMENT, GRANTED TO THE REGIONAL TRANSPORTATION DISTRICT, RECORDED MARCH 23, 2005 AT RECEPTION NO. 2674120.

23. EASEMENT DEED, GRANTED TO THE CITY OF LOUISVILLE TO THE CITY OF LOUISVILLE, RECORDED MAY 11, 2009 AT RECEPTION NO. 2999050.

Of particular relevance here is the second easement and agreement granted to the Regional Transportation District. The easement area is shown below, consisting of approximately 24,750 square feet by our calculations:



The RTD easement encumbers approximately 21% of the larger parcel and nearly half of the acquisition area. Considering the improvements made to the easement area and its use, the easement has been a factor in the valuation process.

Utilities

Under the assumption of its physical availability for development, Xcel Energy would provide both electrical and natural gas service to the subject property. Louisville would be the provider of sewer service. Louisville water is currently in service to irrigate the landscaping. To the best of our knowledge, no other utilities are in service to the property at this time.

Land/Site Improvements

Sprinklered sod, mature deciduous and evergreen trees, concrete sidewalk, block retaining wall, northerly end of pedestrian overpass. Improvements are shown in the property photographs following this section.

Functional Adequacy

This is a specialty parcel that is configured for its specific intended use. Due to shape it is not likely to be functional as a buildable parcel.

Adjacent and Surrounding Land Uses and Development

US Highway 36 is adjacent on the southwest. To the north and northwest are commercial and office properties.

Anticipated Public or Private Improvements

None are known other than the US 36 Managed Lane project, for which a portion of the subject property is being sought for acquisition.

Nuisances and Hazards

None known; none observed during the property inspection.

Potential Environmental Hazards

This assignment is to estimate compensation for the proposed acquisition under the extraordinary assumption that the subject site is "clean." No property–specific information is available regarding potential environmental hazards. No observable evidence of sources of concern was noted during our property inspection. Appraisal of the property as "clean" has been based on adoption of an extraordinary assumption. This assumption may have affected the assignment results. In other words, if the property were found to be contaminated and the scope of work pertained to the "as–is" value of the property, the opinion of value would likely be different from that communicated in this report if remediation were necessary prior to development.

Land's Relationship to Neighboring Properties

The subject property is atypical of vacant land in this area due to shape.

Owner Improvements Data

None. Perimeter fencing is the property of CDOT. All of the other site improvements belong to RTD.

Tenant Improvements

None

Use History

Perimeter open space in support of Colony Square and bus transit operations.

Sales History

The subject Tract A along with Tract B, Colony Square, were conveyed to the City of Louisville by T. E. Associates, LLC on December 6, 1994. There have been no subsequent open market, arm's length transactions of the property.

Listing/Contract Data

To the best of our knowledge, the subject property is not listed for sale and is not under contract for sale.

Rental History

N/A

Assessed Value and Real Estate Taxes

The property is assessed for real property tax purposes by Boulder County under the account number shown below. Note that the assessment is for 2012, for taxes payable in 2013. The property is tax exempt.

Assessed Value and Taxes	Actual	Assessed
R0120164		
Land	$1,294,700	$375,463
Improvements	$0	$0
Total	$1,294,700	$375,463
Mill Levy (2011)		0.085187
Total taxes		$31,984.57

Zoning and Other Land Use Regulations

The subject property is currently shown by Louisville's zoning map to be in the "Park" area, which includes green spaces, trail corridors, and right of way according to the applicable zoning map included in the addenda. No zoning district regulations for properties with this designation were available. The most directly comparable district is the OS–open space district.

The open space OS district is comprised of lands that have been designated open space land and placed in the district by the city council after considering recommendations from the open space advisory board.

No uses are permitted on city–owned open space lands other than limited recreation. The use regulations provide a broad scope of prohibitions. It is logical to conclude that provisions of the "Park" area are similar to those in the Open Space district.

Property Photographs

(The photograph below was taken by Bonnie D. Roerig, MAI, on February 28, 2013)

North view of theatre property north of taking parcel

(The following photographs taken by Bonnie D. Roerig, MAI, on February 17, 2013)

Southeast view of the easterly end of Parcel 8A from parking lot

View to the west along south taking line from eastern point

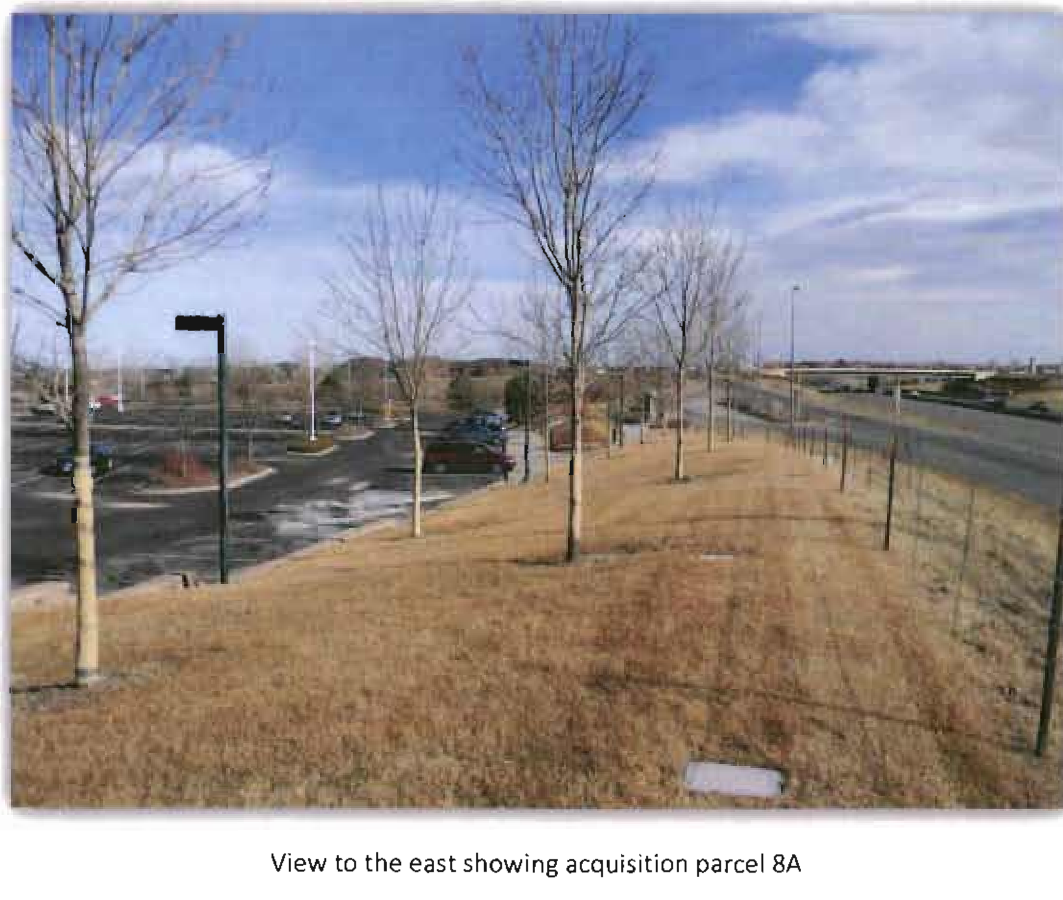
Three west views of acquisition area from south of cinema

Looking west at area of taking parcel just east of pedestrian overpass

RTD's pedestrian overpass, looking west

RTD's pedestrian overpass, looking west

Pedestrian overpass looking east



View to the east showing acquisition parcel 8A

West portion of taking parcel, looking west

Drainage improvements in taking area

Northwest portion of west end of taking; Home Depot is in the background.

Looking west from stake number 6276 toward west end of taking parcel

West end of taking 8A

East view of west end of taking

South view of west part of taking

PART 3 – ANALYSIS AND CONCLUSIONS – LARGER PARCEL BEFORE TAKE

Highest and Best Use

Highest and best use is the most profitable and competitive use of a property. Colorado Jury Instructions – Civil 4th, 36:6 views highest and best use as follows:

> In determining the market value of the property actually taken (and the damages, if any, and benefits, if any, to the residue) you should consider the use, conditions and surroundings of the property as of the date of valuation.
>
> In addition, you should consider the most advantageous use or uses to which the property might reasonably and lawfully be put in the future by persons of ordinary prudence and judgment. Such evidence may be considered, however, only insofar as it assists you in determining the reasonable market value of the property as of the date of valuation (or the damages, if any, or the benefits, if any, to the residue). It may not be considered for the purposes of allowing any speculative damages or values.

Highest and best use is defined by the Appraisal Institute in *The Dictionary of Real Estate Appraisal*, Fifth Edition, Chicago, 2010, page 93, as:

> The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

The concept of highest and best use places emphasis on the economic capability of an existing or proposed improvement plan to show an acceptable (or the greatest) net return to the value of the underlying land. This involves development of the optimum physical structures that are legally permissible on a given site with said structures also being forced to meet the tests of economic feasibility, physical possibility, and logical appropriateness.

Analysis of the subject parcel for development to its highest and best use is tied to trends toward change in the immediate area of the property. It is also tied to the general market for properties likely to represent the highest and best use of the land, general economic trends as they affect the supply and demand for new development, and the physical and locational features inherent in the land itself.

Physical Possibility:	The parcel is physically limited for development due to its shape and size. On this basis, the property has been valued as unbuildable land.
Legal Permissibility:	The legally permitted uses of the property were outlined in the brief zoning discussion in the previous section.
Financial Feasibility and Maximal Productivity:	Considering the nature of the shape and zoning provisions, the optimum use of the land is for continued open space/recreational purposes.

Appraisal Valuation Methodology

The Sales Comparison Approach is the most reliable indicator of land value in an acceptably active market. This approach involves comparing the site being appraised with similar parcels in the general vicinity, making adjustments for the various differences between the comparable sales and the subject property. After appropriate adjustments, an indication of value is developed from each sale. With consideration given to the relative importance and weight of the sales, a final estimate of land value is concluded.

The process is to add or subtract quantities from the price of the sale property (done in this case on a percentage basis) to reflect the market's responses to the sale's inferior or superior qualities by comparison with the subject property. A positive adjustment to the sale indicates that it is inferior to the subject in the factor being considered; a negative adjustment reflects a superior feature. The resultant total selling price of the sale after all adjustments is representative of that price at which the comparable sale would have occurred had it been identical to the subject property and had it transpired on the date of value. After analysis of the indicated value for the subject derived by this process from each sale, by weighing and reconciliation, a final estimate of value for the subject property by direct comparison results.

Due to the unique nature of the subject property both physically and legally, we focused our research on those parcels that were, for any number of reasons, unbuildable.

A summary of the sales we were able to obtain and confirm is provided below. The sale properties are shown located with respect to the subject on the map which follows the tabulation. Individual sale sheets with photographs of each sale follow the map.

A critical review of each sale was made as it compares to the subject property. From this, a value range was developed. With consideration given to the relative importance and weight of the sales, a final estimate of larger parcel land value was concluded. Note that no sales as small as the subject were identified; size, however, did not appear to have an impact on prices paid for these properties. Shown below are the sales of the closest size available for analysis. All of these sales were in the Denver metropolitan area.

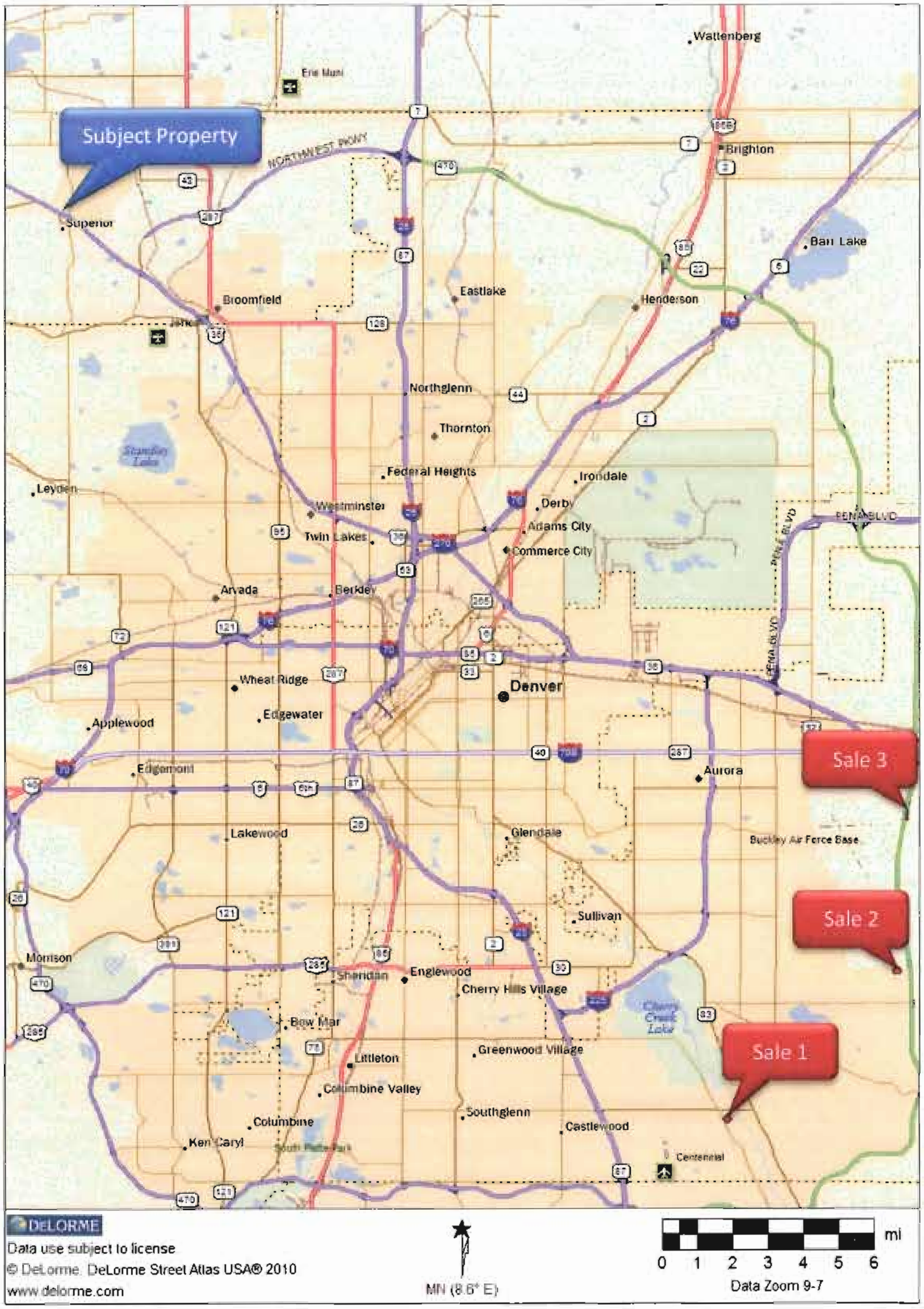
Summary of Land Sales

Summary of Land Sales
November 2012

Sale No.	Sale Date	Location	Grantor	Grantee	Selling Price	Land Area-Ac.	$/SF	Zoning	Record Data
1*	Dec-10	South of Arapahoe Rd. approx. 650 ft. east of Jordan Rd. (Tract A Arapahoe Road Industrial Filing No. 2 Amended)	Magnum Land Ventures, LLC	Arapahoe County	$335,000	9.52	$0.81	F Centennial	D0130589
2	Oct-10	South side Hampden Avenue approx. 1/3 mile west of E-470	The Resource Consulting Group, Inc.	City of Aurora	$343,917	15.82	$0.50	E-470 470 R & D Aurora	D0103244
3	Dec-11	East side of E-470 approx. 900 ft. south of E. 6th Parkway	E-470 Public Highway Authority	City of Aurora	$204,459	13.44	$0.35	A-1 Arap. Co.	D1126862

* Total purchase was for two parcels totalling 12.96 acres for $735,000. Price shown is appraised value allocated to 9.52-acre floodplain/floodway portion of the sale.

Land Sales Map



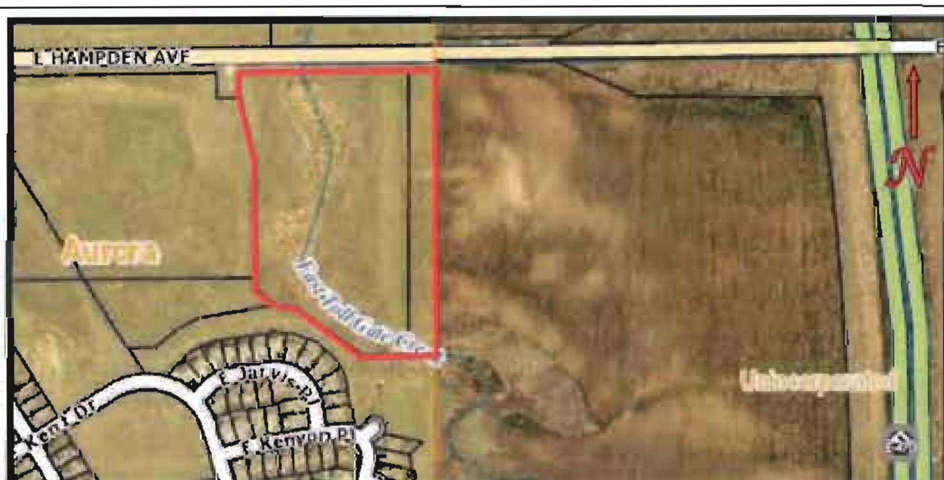
Land Sale Summaries

Sale No. 1

Address/Location:	South of Arapahoe Road approximately 650 feet east of Jordan Road	**View:**	Southeast, south
		Photo By:	Bonnie Roerig, MAI
Date of Sale:	Dec-10	**Date Inspected:**	1/6/2012
Selling Price:	$335,000	**Zoning:**	F, Floodplain, Centennial
Land Area - Acres:	9.52	**Reception Number:**	D0130589
Selling Price/SF:	$0.81	**Use at time of sale:**	Vacant land
Grantor:	Magnum Land Ventures, LLC	**Grantee:**	Arapahoe County
Comments:	Part of Cherry Creek Trail system purchased along with 3.44 acres in Arapahoe Road Industrial Park.	**Confirmed with:**	Daniel Einarson, GTE representative and appraiser
		Date Confirmed:	1/6/2012

Sale No. 2

Address/Location:	South side Hampden Avenue approximately one-third mile west of E-470	**View:**	North, southeast
		Photo By:	Bonnie Roerig, MAI
Date of Sale:	Oct-10	**Date Inspected:**	1/6/2012
Selling Price:	$343,917	**Zoning:**	E-470, 470 R&D, Aurora
Land Area - Acres:	15.82	**Reception Number:**	D0103244
Selling Price/SF:	$0.50	**Use at time of sale:**	Vacant land
Grantor:	The Resource Consulting Group, Inc.	**Grantee:**	City of Aurora
Comments:	Sale was in E-470 corridor area, but is not buildable due to Buckley Air Force Base accident potential zone overlay.	**Confirmed with:**	Joani Cravens, grantee representative
		Date Confirmed:	1/6/2012



Sale No. 3

Address/Location:	East side of E-470 approximately 900 ft. south of E. 6th Parkway	**View:**	West, north, south
		Photo By:	Bonnie Roerig, MAI
Date of Sale:	Dec-11	**Date Inspected:**	1/6/2012
Selling Price:	$204,459	**Zoning:**	A-1, Arapahoe County
Land Area - Acres:	13.44	**Reception Number:**	D1126862
Selling Price/SF:	$0.35	**Use at time of sale:**	Vacant land
Grantor:	E-470 Public Highway Authority	**Grantee:**	City of Aurora
Comments:	Four adjacent parcels along E-470 south of E. 6th Avenue Parkway purchased for open space and as a connector for the Aurora bicycle trail system.	**Confirmed with:**	Joani Cravens, grantee representative
		Date Confirmed:	1/6/2012

Sale No. 1 was purchased by Arapahoe County in December 2010, located south of Arapahoe Road, east of Jordan Road and west of the Cornerstar Regional Shopping Center. Arapahoe County purchased the property as part of the Cherry Creek trail system that will eventually extend from Confluence Park in downtown Denver southeast to Castlewood Canyon State Park in Douglas County.

The total purchase consisted of two parcels. The first is Lot 12, Arapahoe Road Industrial Park, Filing No. 2 Amended, comprising 3.44 acres with frontage on and access to Arapahoe Road. The property was zoned I–1, PUD. The second parcel is Tract A, 9.52 acres in size zoned F, Floodplain, by the City of Centennial and is 100% located in floodplain/floodway.

Arapahoe County representative Daniel Einerson indicated that the purchase price of $735,000 was based on an appraisal which had developed a higher value for the buildable, industrial zoned 3.44–acre parcel and a significantly lower value for the remaining 9.52 acres of non–buildable floodplain/floodway land.

Mr. Einerson gave permission to the appraiser to discuss and confirm the appraised value for each of the parcels that ultimately resulted in the $735,000 recorded selling price for both parcels combined. This total also included a water tap valued at $15,000.

While there were some differences between the final price and the appraised values, we confirmed that the non–buildable floodplain/floodway land component was appraised for $335,000.

Sale No. 1 at $0.81 per square foot is the highest value indicator and it supports a value for the subject property slightly higher than $0.81 per square foot, say $0.90, to address the older date of sale. Together with Sale No. 2, this sale was given the greatest weight in this analysis.

Sale No. 2 is a 15.82–acre parcel purchased by the City of Aurora in October 2010 for $0.50 per square foot. Although the land was included in the E–470 corridor zone area, it is physically non–buildable due to the Buckley Air Force Base APZ (accident potential zone) overlay zoning that blankets this property. This overlay zone does not permit any use other than open space; even parks are not allowed. Aurora purchased the property for a detention pond and an open space maintenance trail.

The APZ overlay zoning limitations for this site are comparable to the limitations that exist for the subject property. We concluded that the subject property has a value bracketed by Sale No. 1 and the $0.50 per square foot value that was developed by Sale No. 2, increased for market conditions to $0.60 per square foot.

Sale No. 3 is the purchase of four adjoining parcels located near the southeast quadrant of the E–470 and E. 6th Parkway interchange. The City of Aurora purchased the parcels from the E–470 Highway Authority for $0.35 per square foot.

This is the most recent sale, having closed in December 2011. The city plans to use the parcel for open space and as a connector for the Aurora bicycle trail system. A representative for the city disclosed that the price was based on an appraisal originally done three years ago and a current letter from the appraiser stating there has been no change in value. Additionally, the appraisal did not include one of the long narrow parcels that was ultimately included with this sale at no additional compensation. For this reason, less weight was placed on Sale No. 3 at $0.35 per square foot.

Summary of Conclusions

We placed the greatest weight on Sales 1 and 2, and concluded a final value for the subject larger parcel at the upper end of the range, at $0.90 per square foot, to recognize its location and commercial environment. This opinion applies to the portion of the larger parcel not encumbered by the RTD easement, estimated to be 91,828 square feet or approximately 79% of the total parcel area. This develops a total for the unencumbered portion of the larger parcel of $82,645.

An adjustment of 50% was made to reflect the impact of RTD's permanent easement. This percentage was based on the following data. Contained in my files are confirmed data about three permanent easement sales that I have verified with the parties to the transactions. The grantor of these transactions was the Colorado Department of Transportation (CDOT). Two of these sales involved permanent easements that CDOT purchased when building a public transportation project. When the project was completed these easements were not needed. Approximately 10 to 15 years later the current underlying fee owners approached CDOT about the possibility of purchasing these easements. CDOT was not under any obligation or pressure to sell, however, CDOT did agree to possibly selling these easements at a negotiated price based on an appraised value as the basis of negotiation.

The third permanent easement sale involved an area of land situated on a CDOT–owned property. The adjoining property acquired this permanent easement as a means of access to the adjoining property and for installation of utilities to serve the adjoining site. As with the two sales described above, CDOT was not under any pressure to sell and the agreed price was based on an appraised value.

One permanent easement sale consisted of a single–use right that would have allowed CDOT to install an irrigation ditch. This ditch was never constructed and the underlying fee owner wanted to clear the title so the easement area could be used for additional parking. The price that CDOT received for this easement was $9,120 ($1.50 per square foot) for 6,208 square feet. This is equivalent to 29% of the underlying fee value of the host site.

Another permanent easement sale consisted of a single–use right that would allow CDOT to maintain an I–25 Interchange off–ramp overhead street lighting. When the public project was completed, this easement was not needed. The price CDOT received for this easement was $23,000 for an area containing a total of 7,391 square feet or $3.11 per square foot. This is 34% of the estimated unit value of the underlying fee value of the larger parcel.

The third sale of a permanent easement consisted of multi–use rights allowing access and installation of utilities to an adjoining property. CDOT owned Lot 36, Block 33, Meadowbrook Heights Subdivision and the owners of Lot 31 in the same subdivision desired to purchase a permanent easement for access and utility installation to serve their property. The price CDOT received for this easement was negotiated at $25,866 or $5.73 per square foot for 4,515 square feet. The unit price paid for this easement resulted in payment of 75% of the fee value of $7.63 per square foot.

The preceding information indicates that permanent easements range in value range of 26%–36% to 75%. The lower end of the range appears to reflect a single–use easement and the higher end appears to reflect a multi–use easement. The higher percentage at 75% also reflects a premium by virtue of the use of the easement to an adjoining site. If this factor is removed, then, most likely, a value of around 50% would be a reliable indication.

Our judgment is that 50% of fee simple value appropriately and adequately reflects the impact of the RTD easement and use on the fee simple market value of the affected property and properly compensates the landowner for this portion of the property to be acquired.

The value of the encumbered portion of the larger parcel, therefore, is computed as follows:

Fee simple value, easement area:	$22,275
Easement value at 50% of fee:	$11,138
Rounded to:	$11,140

The total larger parcel value is:

Larger Parcel Land Value Opinion-Parcel 8A					
Unencumbered area	91,828	SF @	$0.90	/SF =	$82,645
Encumbered area	24,750	SF @	$0.45	/SF =	$11,138
Total	116,578				$93,783
			Rounded to:		$93,785

Summary and Conclusions–Larger Parcel Value Before the Taking

Summary Of Conclusions		
Site Value – Property Before Take	$93,785	
Affected Improvements Value – Property Before Take		
Property Parcel Value Before Take		$93,785

PART 4 – FACTUAL DATA – PART TAKEN

Identification of the Part Taken

Land Taking

The area to be acquired, shown on various exhibits with this report as "Parcel 8A" consists of the westerly 50,383 square feet, or 1.157 acres of the subject larger parcel as shown on the project plans in the addenda. The acquisition is located adjacent to the existing right of way line of US Highway 36, south of the cinema parking lot. The easterly portion of the larger parcel will not be acquired.

The parcel to be acquired is legally described in the addenda and copies of the easement exhibit are also provided there.

Permanent Easement Taking

None.

Improvements Taking

None; the perimeter fencing along the existing right of way line is property of CDOT and will be replaced with a similar fence as part of the project.

With regard to RTD's site improvements, according to information provided for this assignment, CDOT will acquire Parcel 8A subject to the easement. The CDOT Design Manager stated that the contract regarding the RTD park–n–rides at McCaslin requires that:

> Impacts to existing landscaping and irrigation at the RTD park–n–rides west of McCaslin Boulevard shall be replaced in kind and detailed in the Landscape and Irrigation Plan.

CDOT will acquire the property subject to RTD's easement and most of the landscaping will not be impacted by the Project. Those landscape improvements impacted will be mitigated by the contractor per the above requirement.

On this basis, none of the improvements have been included in this analysis as a scope of work determination.

PART 5 – ANALYSIS AND CONCLUSIONS – PART TAKEN

Value of Part Taken as Part of Larger Parcel

Land Value of Part Taken

At the concluded land value developed previously, the value of the fee taking is:

Value of Land Part Taken					
Unencumbered area	25,633	SF @	$0.90	/SF =	$23,070
Encumbered area	24,750	SF @	$0.45	/SF =	$11,138
Total:	50,383				$34,207
			Rounded to:		$34,210

Owner Improvements Contributory Value of Part Taken

None

Easement Value of Part Taken

None

Summary of Value of Part Taken

The value of the part taken as part of the larger parcel appraised is summarized as follows:

Value of Part Taken						
Lane Value of Part Taken:						
Parcel	Area	Unit Value	Rate (%)	Value	Total Value	
8A unencumbered	25,633 SF	$0.90/SF	100%	$23,070		
8A encumbered	24,750 SF	$0.90/SF	50%	$11,138		
Land Value of Part Taken, rd.					$34,210	
Total Value of Part Taken						**$34,210**

PART 6 – RESIDUE VALUE BEFORE TAKE

For purposes of measuring losses or benefits to the residue, it is necessary to compute the residue value before the taking. The residue value before take is a mathematical step that is simply the value of the larger parcel (land plus affected improvements) minus the value of the part taken, including fee takings, easements and affected improvements, but excluding any temporary easements. This is shown below:

Larger Parcel Value Before Take:	$93,785
Land Acquisition:	$34,210
Remainder Land Value Before the Taking:	$59,575

This is the value level that should be reflected in the residue parcel, if there are no damages or benefits resulting from the taking. If the residue value is less than this sum, the residue has been damaged to that extent; if the residue value is greater than this amount, the residue has benefited. The value of the residue property after the taking is addressed in the next section.

Summary of Residue Value Before Take

Residue Value Before Take		
Larger Parcel Value Before Take	$93,785	
Less: Value of Part Taken	$34,210	
Residue Value Before Take		**$59,575**

PART 7 – FACTUAL DATA – RESIDUE AFTER TAKE

According to the CDOT US 36 Express Lanes/Bus Rapid Transit Project web site, US 36 between Denver and Boulder opened as a toll road in 1951. The toll road bonds were paid off early and the tolling infrastructure was removed in 1968. When it was built, this four lane road had only one interchange between Denver and Boulder. In response to rapid population growth, there are now 10 interchanges along US 36 between I–25 and Boulder. However, the number of main through–lanes has remained at four.

In December on 2009, the Colorado Department of Transportation completed an Environmental Impact Statement which described Preferred Alternative improvements to the corridor which would be implemented in the future as funding became available. The main elements in the Preferred Alternative include one buffer–separated managed lane in each direction, Bus Rapid Transit (BRT) ramp stations, auxiliary lanes between most interchanges, and a bikeway.

These two projects will be the first steps in implementing improvements described in the US 36 Environmental Impact Statement.

The subject acquisition property is required for improvements to be constructed by CDOT in conjunction with the Managed Lane project along US Highway 36 between Denver and Boulder. The land is needed for toe of slope/top of cut for lateral/adjacent support for the highway and appurtenances.

The remainder property will be unaffected except for its smaller size by approximately 43.22%. The residue will continue in its open space/natural use. The acquisition will be made subject to the RTD easement with CDOT stepping into the ownership position of the improved areas in the acquisition.

PART 8 – ANALYSIS AND VALUATION – RESIDUE AFTER TAKE

See the larger parcel description and analysis before the take for a more detailed discussion of highest and best use. The remainder site size will be reduced by just over 43% to 66,195 square feet or 1.520 acres. The residue will be unaffected by the acquisition and will remain available for open space use after the acquisition. From the standpoint of the nature of the property, the project improvements will not result in diminution to the remainder property.

The residue value after the acquisition is at least at the level it was before the taking. At this time, there are insufficient data upon which to rely for support for possible benefits and none are anticipated.

Thus, the value of the residue after the taking is as shown below (note that the residue value reflects a very slight difference from the mathematical residue value before the acquisition due to rounding). Rounded figures are also shown.

Residue Land Value-After			
66,195 SF @	$0.90	/SF =	$59,576
		Rounded to:	$59,575

Reconciliation – Residue Value After Take

Residue Value After Take		
Land Value – Residue After Take	$59,575	
Improvements Value – Residue After Take		
Residue Value After Take		**$59,575**

PART 9 –ANALYSIS of DAMAGES or BENEFITS

Residue Land Value Before vs. After

When estimating the value of the residue after the taking, we considered first any changes that might have occurred to its highest and best use. The optimum use of the land continues to be for open space purposes. On this basis, there is no support for any losses in value due to the project.

Study of the project has led us to the conclusion that it will not create a source of negative impacts to either the neighborhood generally, or to the subject property. We found no market–derived basis upon which to measure enhanced value of the remainder at this time. We have been unable to measure specific or special benefits that will inure to the subject property by virtue of the project.

Residue Value Before Take		
Larger Parcel Value Before Take	$93,785	
Less: Value of Part Taken	$34,210	
Residue Value Before Take		**$59,575**

Residue Value After Take		
Site Value – Residue After Take	**$59,575**	
Improvements Value – Residue After Take		
Residue Value After Take		**$59,575**

Indicated Compensable Damages to Residue After Take	**$–0–**

Indicated 5pecific Benefits to Residue After Take	**$–0–**

Compensable Damages — Curable (Net Cost to Cure)

None. The project is committed to mitigation of all physical impacts to the property.

PART 10 – COMPENSATION SUMMARY

Explanation of Compensation

The elements of compensation concluded in this appraisal consisted of the land to be acquired, as summarized below.

Compensation Estimate Summary

Value of Part Taken		
Land Value of Part Taken	$34,210	
Easement Value of Part Taken		
Owner Improvements Contributory Value of Part Taken		
Tenant Improvements Contributory Value of Part Taken		
Total Value of Part Taken, rd.		**$34,210**
Compensable Damages and/or Offsetting Special Benefits		
Compensable Damages/Curable/Net Cost to Cure		
Compensable Damages/Incurable (No Cost to Cure)		
<Less> Special Benefits (offset up to 100% of incurable damage)		
= Remaining Special Benefits (offset up to 50% value part taken)		
Total Rental Value of Temporary Easement		
Compensation Estimate		**$34,210**

EXHIBITS and ADDENDA

Acronyms and Definitions

Acronyms

Following are certain acronyms and definitions of significant terms used in this appraisal report. Sources and authorities for the following definitions are shown as text–notes.

AC – acre

CDOT – Colorado Dept. of Transportation

PSF or **SF** – per square foot; square foot

ROW or **R.O.W.** – Right of Way

Definitions

Benefits (Specific Benefits) – "...any benefits to the residue are to be measured by the increase, if any, in the reasonable market value of the residue due to the (construction) (improvement) of the (...proposed improvement). For anything to constitute a specific benefit, however, it must result directly in a benefit to the residue and be peculiar to it. Any benefits which may result to the residue but which are shared in common with the community at large are not to be considered." (CJI–Civ. 4th, 36:4)

Compensation – "...ascertain the reasonable market value of the property actually taken and the amount of compensable damages, if any, and amount and value of any specific benefit, if any, to the residue of any land not taken." (CJI–Civ. 4th, 36:1)

"(a) For highway acquisition, the right to compensation and the amount thereof, including damages and benefits, if any, shall be determined as of the date the petitioner is authorized by agreement, stipulation, or court order to take possession or the date of trial or hearing to assess compensation, whichever is earlier, but any amount of compensation determined initially shall remain subject to adjustment for one year after the date of the initial determination to provide for additional damages or benefits not reasonably foreseeable at the time of the initial determination. (b) If an entire tract or parcel of property is condemned, the amount of compensation to be awarded is the reasonable market value of the said property on the date of valuation. (c) If only a portion of a tract or parcel of land is taken, the damages and special benefits, if any, to the residue of said property shall be determined. When determining damages and special benefits, the appraiser shall take into account a proper discount when the damages and special benefits are forecast beyond one year from the date of appraisal. (d) In determining the amount of compensation to be paid for such a partial taking, the compensation for the property taken and damages to the residue of said property shall be reduced by the amount of any special benefits which result from the improvement or project, but not to exceed fifty percent of the total amount of compensation to be paid for the property actually taken." (§ 38–1–114(2), C.R.S.)

Damages – "...Any damages are to be measured by the decrease, if any, in the reasonable market value of the residue, that is, the difference between the reasonable market value of the residue before the property actually taken is acquired and the reasonable market value of the residue after the property actually taken has been acquired. Any damages which may result to the residue from what is expected to be done on land other than the land actually taken from the respondent and any damages to the residue which are shared in common with the community at large are not to be considered." (CJI–Civ. 4th, 36:4)

Easement – "An easement can generally be described as an interest in land of another entitling the owner of that interest to a limited use of the land in which it exists, or a right to preclude specified uses

in the easement area by others. An easement is an interest less than the fee estate, with the landowner retaining full dominion over the realty subject only to the easement; the landowner may make any use of the realty that does not interfere with the easement holder's reasonable use of the easement and is not specifically excluded by the terms of the easement." (Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, Washington, D.C., 2000, p.63)

Fee Simple Estate (Title) – "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat." (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Chicago, 2010, p. 78) **Note:** as an assignment condition all mineral rights are excepted from any fee simple property interest appraised in this report.

Larger Parcel – "That tract, or those tracts, of land which possess a unity of ownership and have the same, or an integrated, highest and best use. Elements of consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use." (Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, Washington, D.C., 2000, p. 17)

Part Taken (Partial Taking) – "The taking of part of any real property interest for public use under the power of eminent domain; requires the payment of compensation." (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Chicago, 2010, p. 143)

Residue (Residue) – "'Residue' means that portion of any property which is not taken but which belongs to the respondent, ..., and which has been used by, or is capable of being used by, the respondent, together with the property actually taken, as one economic unit." (CJI–Civ. 4th, 36:4)

Restoration Cost to Cure (Cost to Cure) – "In certain circumstances, damage to the residue may be cured by remedial action taken by the owner. The cost to cure, however, is a proper measure of damage only when it is no greater in amount than the decrease in the market value of the residue if left as it stood. When the cost to cure is less than the severance damages if the cure were not undertaken, the cost to cure is the proper measure of damage, and the government is not obligated to pay in excess of that amount." (Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, Washington, D.C., 2000, p. 51)

Slope Easement – "A 'slope easement' is an easement reserved to the condemnor to use whatever portion of the property is needed to provide lateral support for a roadbed, and those surface rights to property which are not required for lateral support are retained by landowner for any usage which does not interfere with condemnor's slope easement." (State Dept. of Highways v. Woolley, 696 P.2d 828, Colo. App. 1984)

Temporary Easement – "An easement granted for a specific purpose and applicable for a specific time period. A construction easement, for example, is terminated after the construction of the improvement and the unencumbered fee interest in the land reverts to the owner." (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Chicago, 2010, p. 195)

Compensation due for a temporary easement is the reasonable rental value for the time the easement is used. (State Dept. of Highways v. Woolley, 696 P.2d 828, Colo. App. 1984)

Colorado 7–Step Partial Take Appraisal Process – Eminent Domain

The purpose of this appraisal was to develop a compensation estimate for the reasonable market value of the property actually taken; compensable damages, if any, to the residue after take; and special benefits, if any, to the residue after take. Referred to as the modified state before–and–after rule, steps to develop a compensation estimate for the acquisition of real property are:

1. Larger Parcel Value Before Take

The first step in the appraisal process is to develop the reasonable market value of the subject larger parcel had there been no taking or any effect on value due to the proposed transportation project. The Jurisdictional Exception Rule of USPAP applies to Standards Rule 1–4(f) in this step. In Standards Rule 1–4(f), anticipated public or private improvements must be analyzed for their effect on value as reflected in market actions. This is contrary to law for eminent domain appraisal. Jurisdictional exception authorities are Uniform Act, Title III, § 301(3); 49 CFR § 24.103(b); § 24–56–117(1)(c), C.R.S.; and CJI – Civ. 4th, 36:3.

"Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, shall be disregarded in determining the compensation for the property." (§24–56–117(1)(c), C.R.S.)

2. Value of Part Taken (including easements acquired)

The second step involves the same USPAP Jurisdictional Exception Rule as in step 1. In this step, the reasonable market value of the land or property actually taken is developed. The value of land taken is based on its value as part of the whole or the larger parcel. Value of improvements taken is based on their contributory value to the larger parcel. (49 CFR § 24.103(a)(2)(iv), §§ 38–1–114(2) and 115(b), C.R.S., and CJI–Civil 4th, 36:3)

3. Residue Value Before Take

The third step is the reasonable market value of the residue before the property actually taken has been acquired. This step sets the initial basis for the ascertainment of damages and/or special benefits to the residue. The reasonable market value of the residue before the take is the mathematical difference of step 1 (larger parcel value before take) minus step 2 (value of part taken).

4. Residue Value After Take (including encumbered easement areas acquired)

The fourth step is to develop the reasonable market value of the residue after the real property actually taken has been acquired and proposed project improvements have been constructed. In this step, the reasonable market value of the residue after the taking is no longer subject to the Jurisdictional Exception Rule to USPAP Standards Rule 1–4(f). Any decrease or increase in the reasonable market value, if any, of the residue after take due to the proposed public project needs analyses. The influence of the proposed public improvement is considered except for any damages or benefits shared in common with the community at large.

The market value of the residue after take is predicated on the "as is" or "uncured" condition of the residue after the acquisition. Any decrease or increase in value of the residue after take is based on market evidence. Damage to the residue must be established before a cost to cure can be considered to mitigate some or all damage. Special benefits may accrue to the residue after take as a result of the project.

5. Analysis of Damages and/or Benefits

6. Fifth step in the process involves analysis of damages and benefits to the residue after the take. Depending upon the extent of damages and cost to cure, performance of another appraisal of the "cured" residue after take may be required (see *Feasibility of Cost to Cure* below). The damages and benefits analyses might include the following elements:

- Indicated Damages and/or Benefits
- Compensable Damages and/or Offsetting Special Benefits
- Compensable Damages – Incurable
- Compensable Damages – Curable (Net Cost to Cure) including:
- Cost to Cure
- Feasibility of Cost to Cure Damages (Possible Re–appraisal of Residue After Cure*)
- Net Cost to Cure
- Indicated Offsetting Special Benefits – Residue Value As Cured

*If damage to the residue is substantial and the cost to cure is not minor, an appraisal of the residue as cured might be necessary to analyze the feasibility of the cure. If the cost to cure is minor, an analysis of the feasibility of the cost to cure damages might not be required.

7. Rental Value of Temporary Easements

Sixth step in the process is the estimate of reasonable rental value for the time the temporary easement is used. A temporary (construction) easement is used for a limited time period and is terminated after the construction of the highway improvements. The unencumbered fee interest in the land reverts to the owner at the time of termination.

8. Estimate of Compensation Summary

The final step is a compensation summary. The compensation summary includes the following:

- Reasonable Market Value – Land and/or Real Property Taken
- Compensable Damages – Curable – Net Cost to Cure (residue after take/as is)
- Compensable Damages – Incurable (residue after take/as is))
- Offsetting Special Benefits (residue after take/"as is" or "as cured")
- Temporary Easements Rental Value
- Total Compensation Estimate

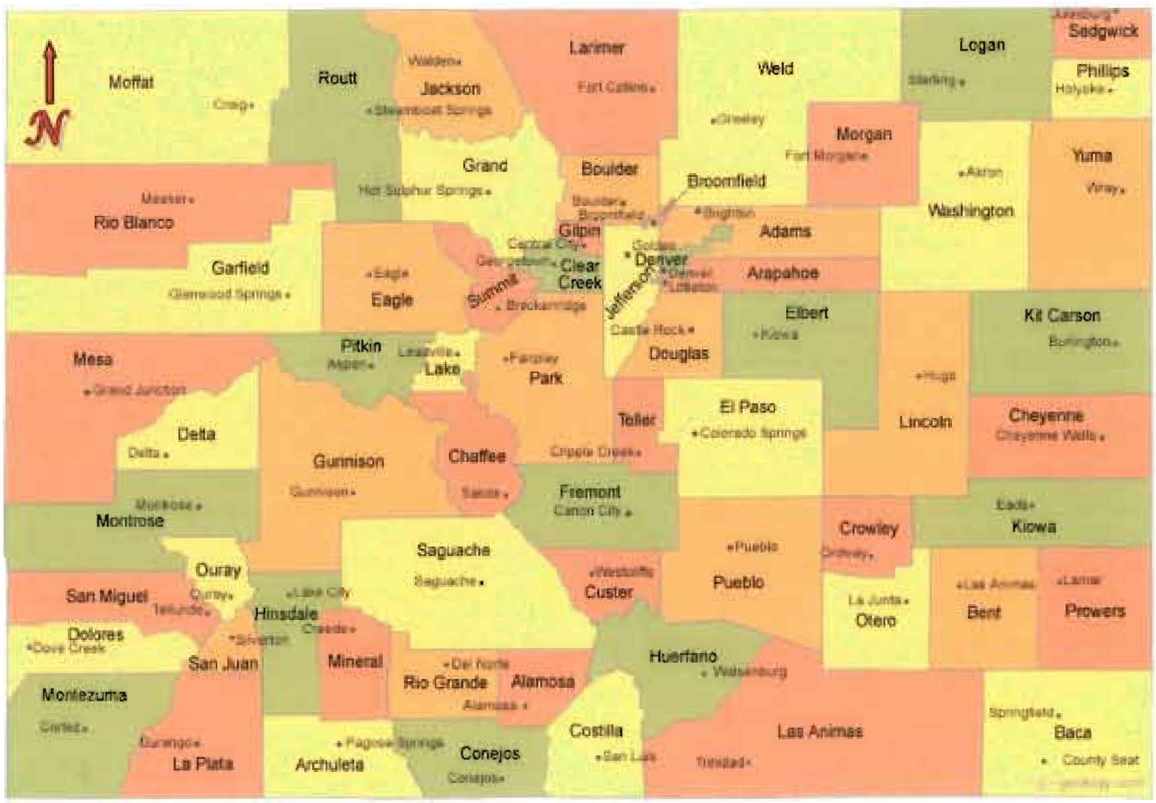
As stated in § 38–1–114(2)(d), C.R.S., "In determining the amount of compensation to be paid for such a partial taking, the compensation for the property taken and damages to the residue of said property shall be reduced by the amount of any special benefits which result from the improvement or project, but not to exceed fifty percent of the total amount of compensation to be paid for the property actually taken."

Overview of Location

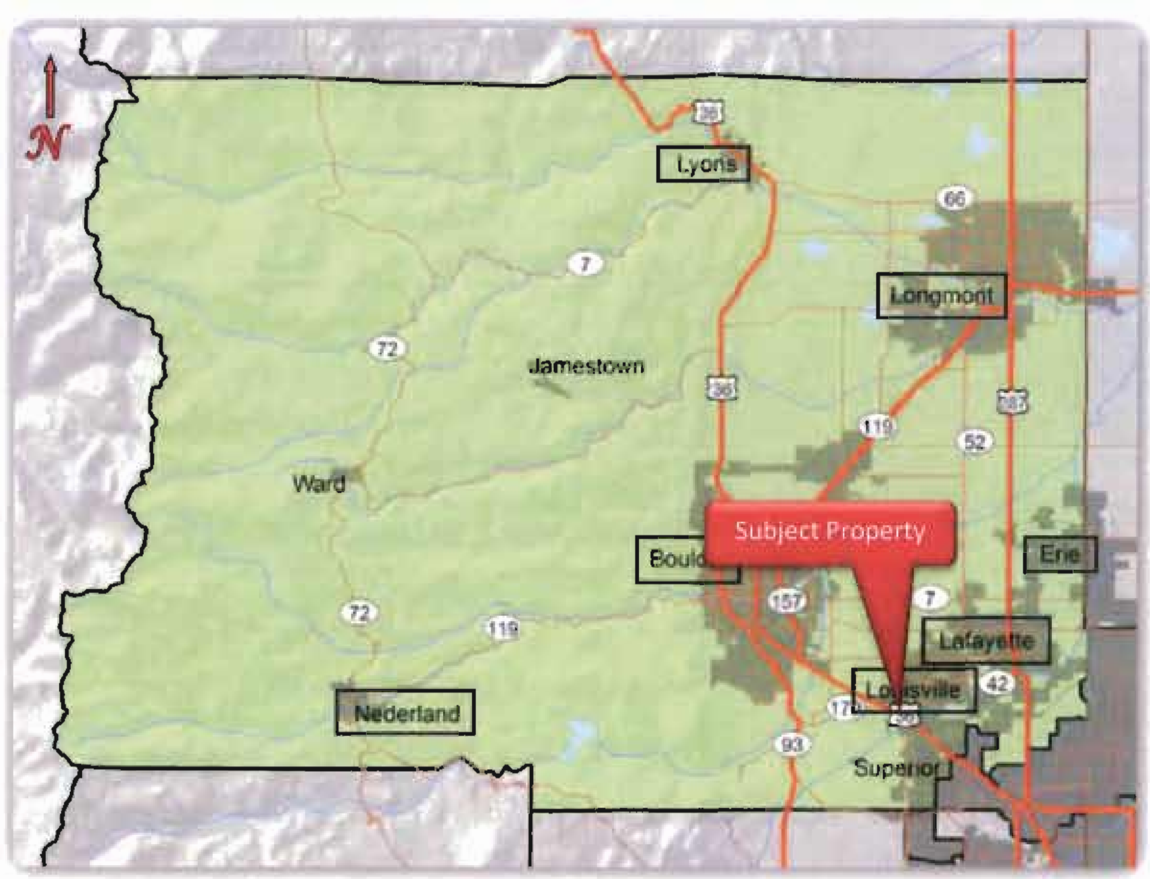
The subject property is located in the City of Louisville, Boulder County on the northwest side of US 36 (the Boulder Turnpike) and McCaslin Boulevard.

The exact location of the subject property is shown in various locations throughout this report.

Colorado Counties Map

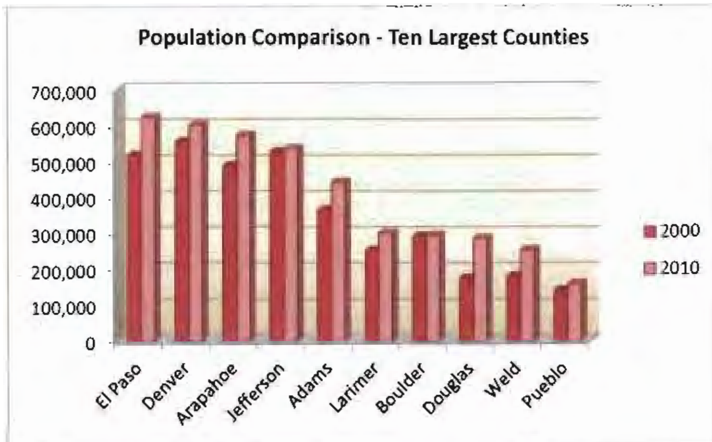


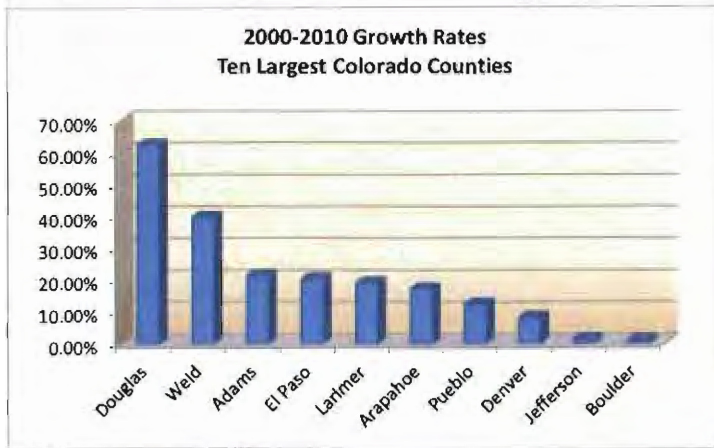
Boulder County



Boulder County ranks 51st in land area of the 64 Colorado counties, with a total of 751.37 square miles, of which 8.91 square miles, or 1.19%, are water. One of the original 17 counties created by the Colorado Territory in 1861, Boulder County was named after Boulder City and Boulder Creek. Its borders remain essentially the same as the original county, except for 27.5 square miles of its southeastern corner which became part of the City and County of Broomfield in 2001. Boulder County is the 7th largest county in population in the state, and of the ten largest, it has had the slowest growth rate from 2000 to 2010, according to census data. If these trends continue, it is likely that Douglas and possible Weld Counties will overtake Boulder by the next census.

County	2000	2010	Increase	% Growth
El Paso	516,929	622,263	105,334	20.38%
Denver	554,636	600,158	45,522	8.21%
Arapahoe	487,967	572,003	84,036	17.22%
Jefferson	527,056	534,543	7,487	1.42%
Adams	363,857	441,603	77,746	21.37%
Larimer	251,494	299,630	48,136	19.14%
Boulder	291,288	294,567	3,279	1.13%
Douglas	175,766	285,465	109,699	62.41%
Weld	180,936	252,825	71,889	39.73%
Pueblo	141,472	159,063	17,591	12.43%



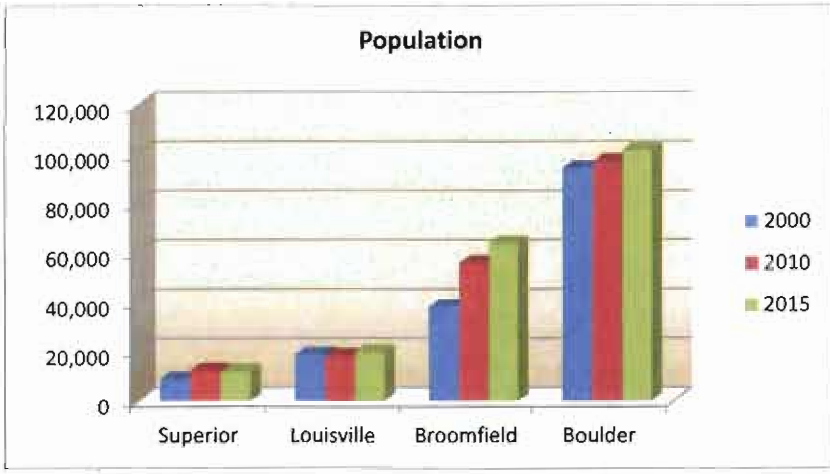


City Populations

The four municipalities in closest proximity to the subject property are Superior, Louisville, Broomfield and Boulder. All except Broomfield are within Boulder County; Broomfield became its own county, the 64^{th} in Colorado, in 2001. The four cities rank in population as shown in the tables on the following page, compared first to other Colorado cities, then to each other.

38 Largest Cities in Colorado		Population		Change, 2000 to 2010	
		2000	2010	Number	Percent
1	Denver	554,636	600,158	45,522	8.21%
2	Colorado Springs	360,890	416,427	55,537	15.39%
3	Aurora	276,393	325,078	48,685	17.61%
4	Fort Collins	118,652	143,986	25,334	21.35%
5	Lakewood	144,126	142,980	-1,146	-0.80%
6	Thornton	82,384	118,772	36,388	44.17%
7	Pueblo	102,121	106,595	4,474	4.38%
8	Arvada	102,153	106,433	4,280	4.19%
9	Westminster	100,940	106,114	5,174	5.13%
10	Centennial	101,377	100,377	-1,000	-0.99%
11	Boulder	94,673	97,385	2,712	2.86%
12	Greeley	76,930	92,889	15,959	20.74%
13	Longmont	71,093	86,270	15,177	21.35%
14	Loveland	50,608	66,859	16,251	32.11%
15	Grand Junction	41,986	58,566	16,580	39.49%
16	Broomfield	38,272	55,889	17,617	46.03%
17	Castle Rock	20,224	48,231	28,007	138.48%
18	Commerce City	20,991	45,913	24,922	118.73%
19	Parker	23,558	45,297	21,739	92.28%
20	Littleton	40,340	41,737	1,397	3.46%
21	Northglenn	31,575	35,789	4,214	13.35%
22	Brighton	20,905	33,352	12,447	59.54%
23	Englewood	31,727	30,255	-1,472	-4.64%
24	Wheat Ridge	32,913	30,166	-2,747	-8.35%
25	Fountain city	15,197	25,846	10,649	70.07%
26	Lafayette city	23,197	24,453	1,256	5.41%
27	Montrose city	12,344	19,132	6,788	54.99%
28	Golden city	17,159	18,867	1,708	9.95%
29	Windsor town	9,896	18,644	8,748	88.40%
30	Evans city	9,514	18,537	9,023	94.84%
31	Louisville city	18,937	18,376	-561	-2.96%
32	Erie town	6,291	18,135	11,844	188.27%
33	Durango city	13,922	16,887	2,965	21.30%
34	Cañon City city	15,431	16,400	969	6.28%
35	Sterling city	11,360	14,777	3,417	30.08%
36	Greenwood Village city	11,035	13,925	2,890	26.19%
37	Fruita city	6,478	12,646	6,168	95.21%
38	Superior town	9,011	12,483	3,472	38.53%

				% Change	
Population	2000	2010	2015	2000-2010	2010-2015
Superior	9,011	12,483	12,141	38.5%	-2.7%
Louisville	18,937	18,376	19,844	-3.0%	8.0%
Broomfield	38,272	55,889	63,959	46.0%	14.4%
Boulder	94,673	97,385	101,673	2.9%	4.4%



It is noteworthy that the two largest cities of the four, Broomfield and Boulder, define the fastest and nearly the slowest growth rates respectively. Radically different political attitudes toward growth and development have marked the two cities for many years and were partly responsible for Broomfield forming its own county out of land within Boulder, Jefferson, Adams and Weld Counties. Other considerations included dealing with four different county seats, court districts and sales tax bases.

Income

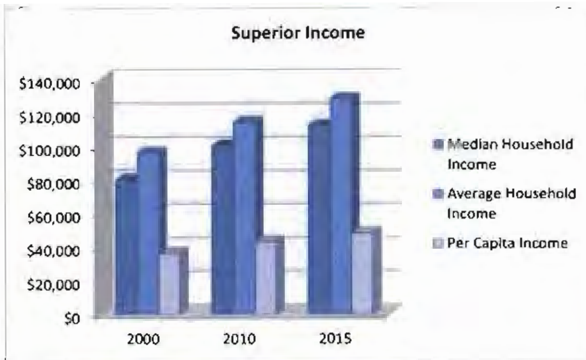
Income data for Superior, Louisville, Broomfield and Boulder (city) are compared below. As of 2010, Superior is the most affluent of the four cities, with Boulder the least overall. In per capita income, Boulder is nearly identical to Broomfield, but considerably lower in average and median household incomes, likely due to a higher percentage of single individual or smaller family households.

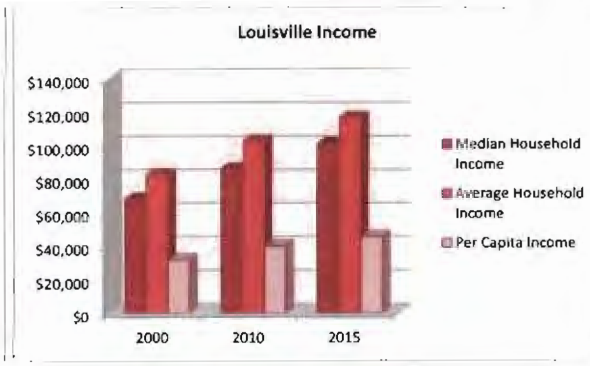
Superior	2000	2010	2015
Median Household Income	$80,074	$100,501	$112,354
Average Household Income	$96,229	$114,506	$128,305
Per Capita Income	$36,326	$43,023	$48,069

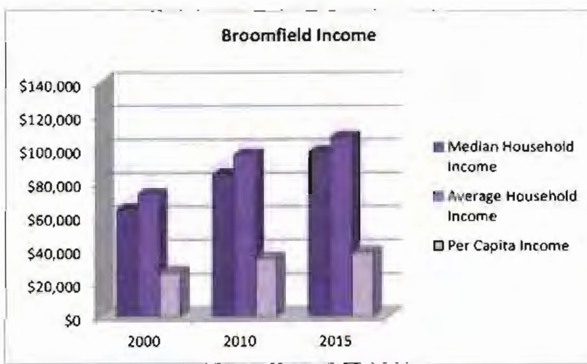
Louisville	2000	2010	2015
Median Household Income	$68,357	$86,431	$101,302
Average Household Income	$82,721	$102,873	$116,950
Per Capita Income	$31,828	$40,006	$45,681

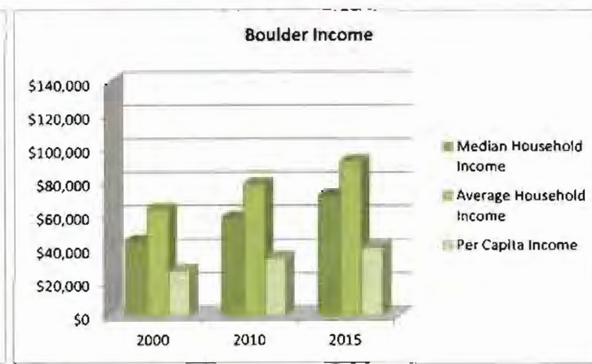
Broomfield	2000	2010	2015
Median Household Income	$63,670	$84,621	$98,042
Average Household Income	$72,850	$96,530	$106,727
Per Capita Income	$26,488	$34,584	$38,267

Boulder	2000	2010	2015
Median Household Income	$44,772	$58,909	$71,790
Average Household Income	$63,542	$78,591	$92,207
Per Capita Income	$27,262	$34,883	$40,988



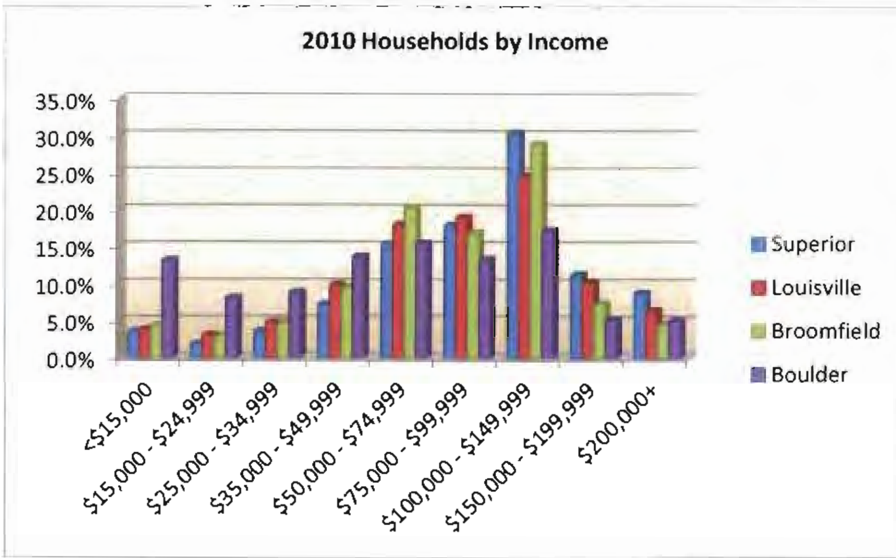






The table and chart below compare the four cities by percentage of households in various income brackets. The relatively high percentages in the lowest four brackets in Boulder are likely due to a large number of students attending the University of Colorado.

2010 Households by Income	Superior	Louisville	Broomfield	Boulder
<$15,000	3.6%	3.9%	4.4%	13.2%
$15,000 - $24,999	1.9%	3.1%	3.0%	8.1%
$25,000 - $34,999	3.6%	4.8%	4.9%	8.9%
$35,000 - $49,999	7.3%	9.9%	9.6%	13.7%
$50,000 - $74,999	15.3%	18.0%	20.3%	15.5%
$75,000 - $99,999	17.9%	19.0%	16.9%	13.3%
$100,000 - $149,999	30.4%	24.6%	28.9%	17.2%
$150,000 - $199,999	11.3%	10.2%	7.4%	5.2%
$200,000+	8.8%	6.4%	4.6%	5.0%



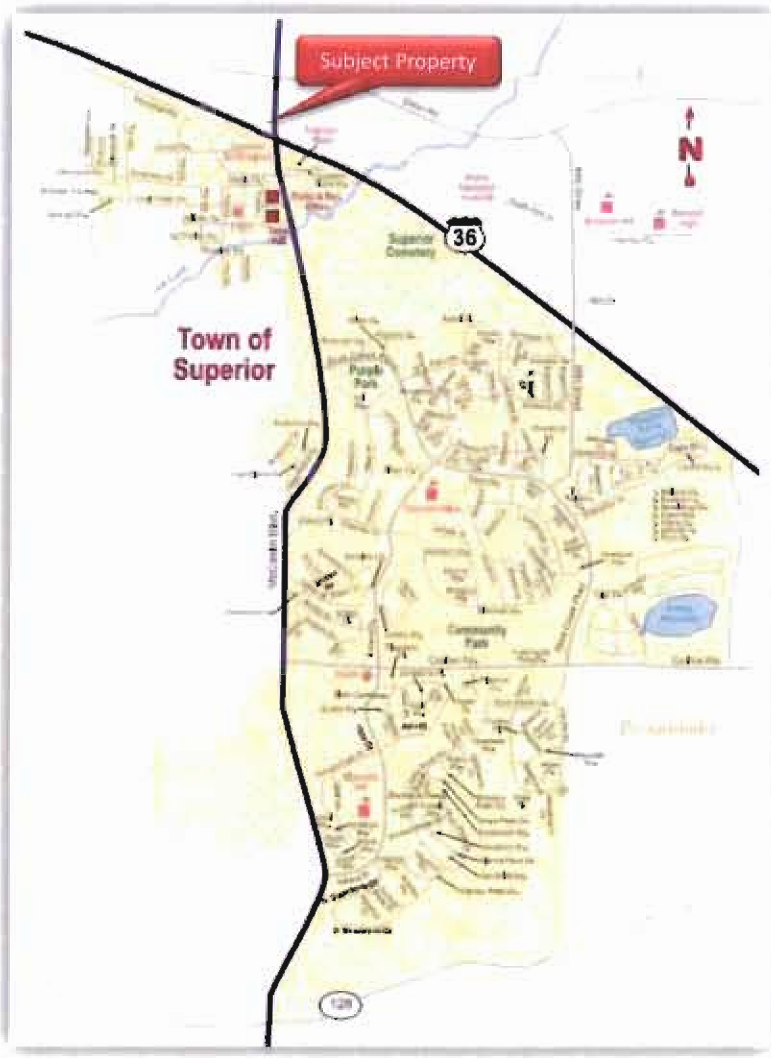
Superior

Founded in 1896 and incorporated in 1904, the present town of Superior has a total area of four square miles. Unlike many Colorado communities whose origins are closely connected with the mining of gold or silver, Superior was developed around coal mining. Indeed, the town was named for the "superior" quality of its coal. The first mines were developed in the late 1800s and remained the major economic activity until the last mine, the Industrial Mine, closed in 1945. Subsequently, the area declined, evolving into a ranching and farming community.

Rock Creek subdivision is the major residential development in Superior, a project of Richmond American Homes. Begun in the 1990s, Rock Creek has at present

- 2,804 single and multi–family homes
- 2 neighborhood schools
- 2 community pools
- 12 playgrounds and 4 major parks
- 27 miles of walking paths
- 594 acres of open space

There are two schools in Superior, Superior Elementary (K–5) and Eldorado K–8, both part of the Boulder Valley School District.



Louisville

Like Superior, the town of Louisville has a close association with the coal mining industry. First settled in 1877 with the opening of the Welch Mine, the first coal mine in the Northern Coalfield (an area of Boulder and Weld Counties), Louisville was incorporated in 1882 and named for Louis Nawatny, who platted his own land and gave his name (pronounced "Lewis–ville" unlike the more famous Kentucky city) to the new town. The period of peak coal production was 1907–1909 with twelve mines operating, including the Acme Mine from which two million tons were extracted from directly beneath the town.

By the 1950s the mines were closed and Louisville made the transition to a suburban residential community. It was so successful that since 2005 the town has been recognized by four publications (*CNN/Money*, *Money* magazine, *Family Circle* and *Best Places to Raise Your Family: The Top 100 Affordoble Communities in the U.S.*) as one of the best places to live and raise a family in the U.S.

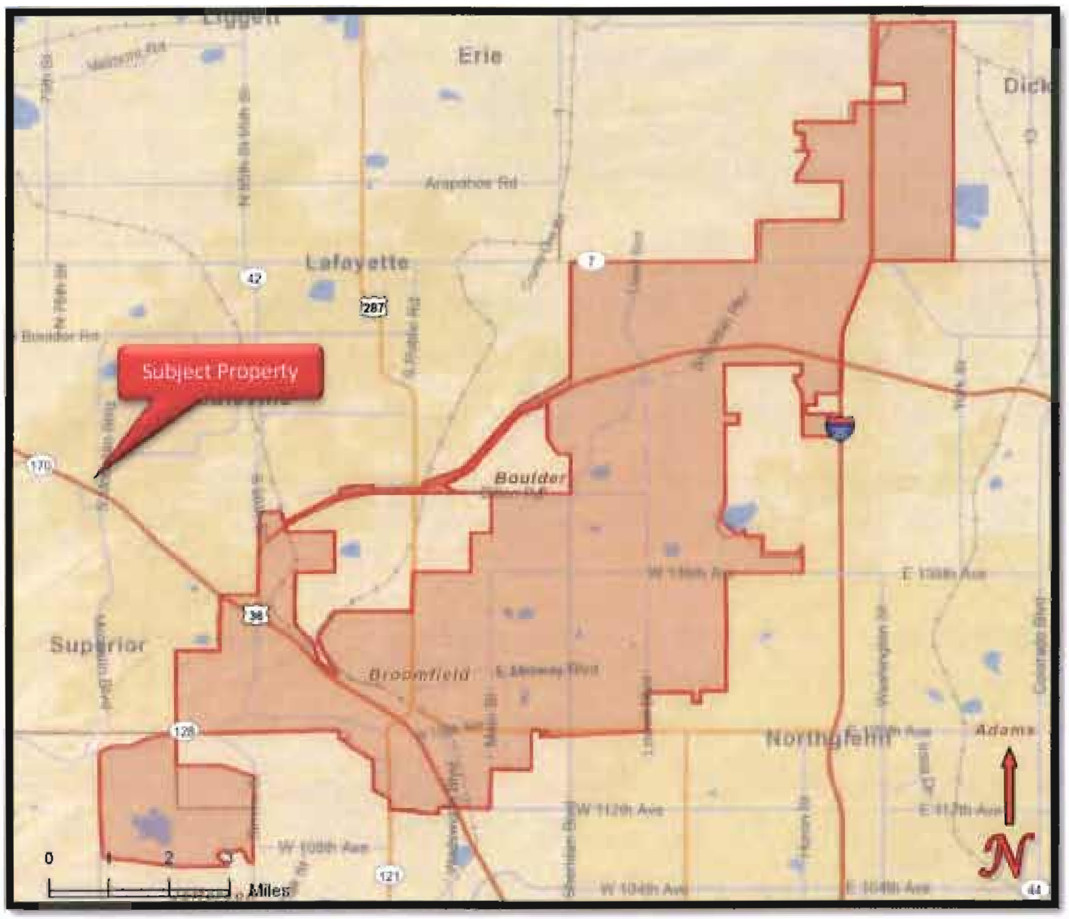
Louisville currently includes 8.6 square miles, 8.5 square miles of which is land and 0.1 square mile is water. The town has 26 city parks, 1,800 acres of open space and 26 miles of trails and bicycle paths, in addition to a $9 million library with one of the highest circulation rates in the state. Louisville is also home to the space technology company, Sierra Nevada Corporation, a prime systems integrator for commercial spacecraft. SNC is the builder of Dream Chaser, one of three commercial spacecraft chosen by NASA to transport astronauts to the International Space Station, with the ending of the Space Shuttle program.

Broomfield

Development of the area that eventually became the city of Broomfield is tied to rail lines laid by the Colorado Central Railroad and the Denver, Utah and Pacific Railroad. The latter laid the first rails in 1881 in the area of what is now the intersection of 120th Avenue and Wadsworth Boulevard. By 1909, 19 passenger trains per day came through Broomfield, prompting construction of a new depot. From 1900 to 1957, the local population was approximately 100, living on area farms.

In 1950, construction began on the Boulder Turnpike, stretching from Wadsworth Boulevard to the city of Boulder. The turnpike was designed as a toll road and one of the first paved arterials in the area. With the purchase of land by the Turnpike Land Co., the master planned community that became Broomfield was begun. By 1961 the city was incorporated with a population of 6,000 in southeastern Boulder County.

From 1969 to 1989, Broomfield grew through annexations in Jefferson, Adams and Weld Counties, becoming the only Colorado city located in four separate counties. Obvious inefficiencies of dealing with four separate court districts, county seats and sales tax bases, combined with longstanding political differences with no–growth Boulder impelled Broomfield to seek to become its own county. Thus, an amendment to the Colorado State Constitution was passed in 1998, and after a three–year transition, Broomfield County became the 64th and smallest Colorado county (27.5 square miles in area) on November 15, 2001. A current map of the City and County of Broomfield follows.



Much of the economic growth in Broomfield in the 1990s was focused on technology. According to the Broomfield Economic Development Corporation, the major employers in Broomfield are as follows:

Level 3 Communications	2,068
Oracle Corporation	1,900
Hunter Douglas	805
Urban Lending Solutions	800
Staples / Corporate Express	700
Ball Corporation	648
Sandoz, Inc.	600
City & County of Broomfield	581
WhiteWave Foods	450
Vail Resorts, Inc.	430
TransFirst Holdings, Inc.	385
MWH Global	350
Brocade Communications Systems, Inc.	300
VMWare	275
Webroot Software, Inc.	245
ZOLL	225

The Broomfield EDC also notes that high technology manufacturing accounts for more than half of all jobs in Broomfield and Boulder Counties. More than 700 companies employ over 30,000 people in high–tech research, manufacturing and information technology services in the northwest quadrant of the Denver Metropolitan area in which Broomfield is located.

With the opening of Flatiron Crossing Regional Mall in 2000, large–scale retail joined the rapid Broomfield development. The mall features nearly 1,500,000 square feet of retail space in two enclosed levels with an adjoining 50,000 square feet of outdoor pedestrian shopping plaza called The Village. The mall houses approximately 200 shops and restaurants, but has evidenced economic (and physical) problems in recent years.

First, The Village was built on shifting soils that caused structural damage that became evident in 2006, leading to the loss of several tenants. Second, original tenants signed 10–year leases that recently expired and major retailers such as McDonald's and Cinnabon decided not to renew. Other vacating tenants included Panda Express and Abercrombie & Fitch.

Remaining major tenants include Nordstrom, Dillard's, Macy's, The Container Store, and Dick's Sporting Goods. A 2008 renovation, projected to cost $53 million, was put on hold a year later, despite a commitment by Broomfield to reimburse $26 million if the project proceeded.

1st Bank Center

Located 6.2 miles southeast of the subject between Wadsworth Parkway and the Boulder Turnpike, the 1stBank Center is touted as the premier mid–sized event venue in the Denver metropolitan area. Formerly the Broomfield Event Center, the multi–use arena was constructed between October 2005 and November 2006 at a cost of $49 million (in 2012 dollars). Its capacity is flexible, accommodating seating from 3,500 to 6,500 for a variety of musical, sporting, entertainment and charitable events. Since September 2009, the Center has been operated by Peak Entertainment LLC, a joint venture of Anschutz Entertainment Group and Kroenke Sports Enterprises.

Adjacent to the center, RTD has constructed the Broomfield Park–n–Ride facility, which includes bus–only slip ramps, a multi–level parking garage with 1,310 spaces, and pedestrian bridge across US 36.

Rocky Mountain Metropolitan Airport

Located five miles southeast of the subject property, the former Jefferson County Airport (renamed in 2006) covers 633 acres with three active runways. The airport is used by general aviation, corporate traffic and is home to several flight schools. It has the distinction of being located nine miles northwest of the Denver Central Business District, by far the closest airport to downtown.

The airport finished 2011 with a total of 121,994 operations (fly–overs, landings, takeoffs, and touch and goes), a drop of 0.8% from 2010, but a 31.1% drop from the peak year of 2005 (177,096 operations). By comparison, Centennial Airport had 303,043 operations in 2011, up 4.7% from last year's total (289,546), but also down substantially (35%) from its peak year 1998 total of 466,267. The Centennial Airport also has three runways, but each is longer than the comparable one at Rocky Mountain Metropolitan.

Interlocken Technology Park

Located on 963 acres north of the Rocky Mountain Metropolitan Airport, the Interlocken Technology Park is an advanced technology–oriented business park planned for eventual build–out of 10.5 million square feet. While the technology bust early in the previous decade had a major effect on the park, it is nevertheless likely to gain early benefits from any sustained recovery. The Interlocken/Broomfield area is one of only three in metropolitan Denver with large concentrations of companies, the others being the Denver Technology Center (DTC) and downtown.

It was a major coup when Sun Microsystems developed a data center facility in 1997. Three years later it's stock peaked at over $250, but by December 2001 had crashed to $100, on its way to less than $15 by the end of 2002. In 2005 Sun acquired local hard drive manufacturer StorageTek, but in turn was sold to Oracle Corporation in 2009, which maintains approximately 1,900 employees in 1.1 million square feet in Broomfield.

In addition to Oracle, Level 3, Time Warner and Hunter Douglas, other companies located in Interlocken include:

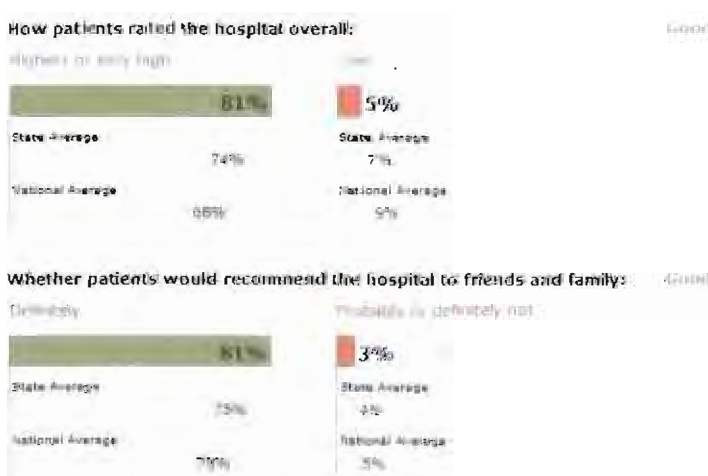
- Booyah Networks (digital marketing and technologies)
- Clifton Gunderson LLP (13th largest CPA and consulting firm in the country)
- Corporate Express (a leading business–to–business supplier of office and computer products)
- McKesson (healthcare services)
- VMWare (provider of computer virtualization technology)

Omni Interlocken Resort

Shown on the map on the following page is the location of the Omni Interlocken Resort adjacent to the technology park on the west. The resort was designed to cater to corporate business travelers and corporate groups and associations. It features a 27–hole golf course, 390–room hotel, health club and spa, and walking, jogging, hiking and biking paths. The resort also includes 34,000 square feet of meeting/banquet, two ballrooms, and state–of–the–art meeting rooms.

Avista Adventist Hospital

Established in 1990 by the Seventh–day Adventist Church and now connected to the Centura health network, Avista Adventist Hospital is located 1.6 miles southeast of the subject property. After undergoing multiple expansions, the 114–bed facility is a full service acute care hospital with a medical staff of more than 500 physicians. In addition to providing critical care services (emergency, trauma and intensive care), Avista is a leading provider of birthing services. A patients satisfaction survey published by USNews Health rated Avista Adventist Hospital well–above the state and national average ratings:



Boulder

Located 25 miles northwest of Denver at the base of the foothills of the Rocky Mountains, Boulder is the most populous city as well as the county seat of Boulder County. Covering 25.4 square miles, of which one square mile is water, Boulder is famous for its stunning natural beauty due to the proximity of the slabs of sedimentary stone tilted up on the foothills, known as the Flatirons.

Boulder is the 11^{th} largest city in Colorado, measured by population, having been passed by Thornton as of the 2010 Census. Greeley and Longmont are likely to do so by the next census, if they continue their historic growth rates.

The original Boulder City was organized in 1859 with 4,044 lots laid out by the Boulder City Town Company, offered for sale at $1,000 each. Boulder City remained part of the Nebraska Territory until February 1861 when Congress established the Territory of Colorado. The city developed as a supply base for miners searching the mountains for gold and silver. In that same year legislation was passed that allowed a state university to be located in Boulder, although the cornerstone for the first building wasn't laid until 1875. The University of Colorado opened in 1877. Today CU adds approximately 46,000 residents to Boulder – 30,000 undergraduate students, 7,000 graduate students and 10,000 staff/faculty.

According to Wikipedia, major employers in and near Boulder with more than 400 employees include:

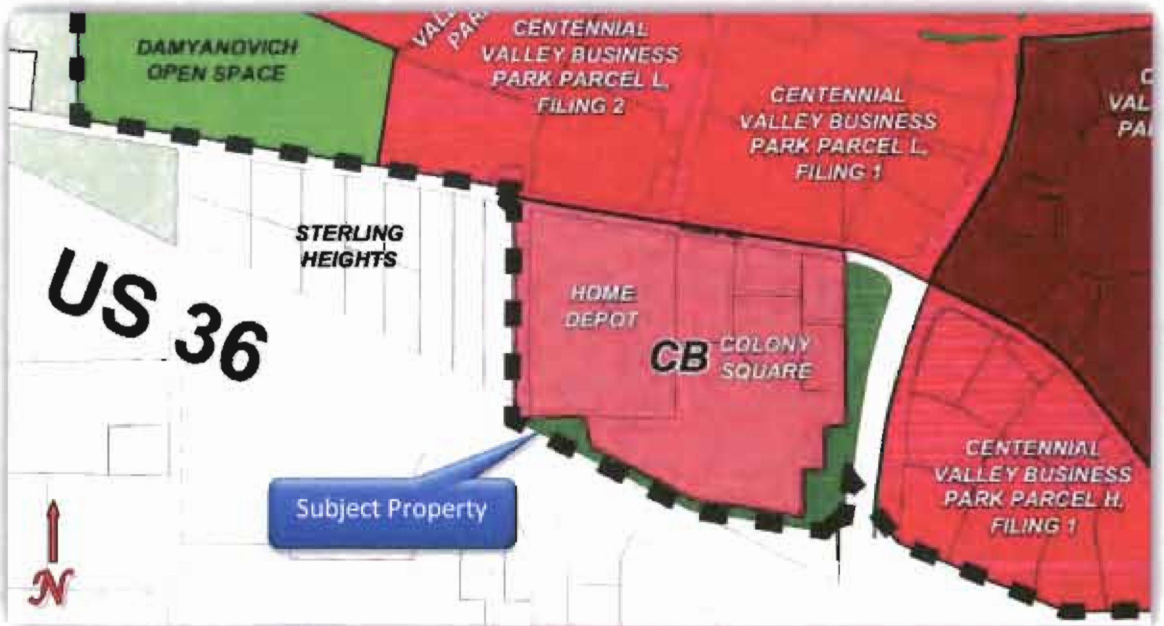
- University of Colorado
- IBM
- Ball Aerospace and Technologies Corporation
- Level 3 Communications
- National Institute of Standards and Technology and National Oceanic and Atmospheric Administration
- Covidien, formerly Tyco Healthcare Group
- City of Boulder
- National Center for Atmospheric Research
- Amgen
- Crispin Porter & Bogusky
- Micro Motion
- Crocs
- Lockheed Martin

A more property-specific overview of the locational factors affecting the subject property was provided in the report text.

Boulder County Assessor's Parcel Map

Boulder County Floodplain Map

Zoning Map



Zoning Districts

COLORADO DEPARTMENT OF TRANSPORTATION
REAL PROPERTY

TO BE ACQUIRED

Parcel Number: 8A

FROM

CITY OF LOUISVILLE, COLORADO,
a Colorado home rule municipal corporation
749 Main Street
Louisville, CO 80027

Site Address: 1160 Dillon Road
Louisville, CO 80027

FOR

Project Code: 18907
Project Number: NH 0361-103, Segment F
Location: Foothills Parkway to McCaslin Blvd.

EXHIBIT "A"

PROJECT CODE: 18907
PROJECT NUMBER: NH 0361-103, SEGMENT F
PARCEL NUMBER: 8A
DATE: OCTOBER 16, 2012
DESCRIPTION

Parcel No. 8A of the Department of Transportation, State of Colorado, Project Number NH 0361-103, Segment F, containing 50,383 square feet (1.157 Acres), more or less, lying in the SE 1/4 of Section 13, Township 1 South, Range 70 West of the 6th P.M., being a portion of Tract A, COLONY SQUARE, Reception No.1483601, P-32 F-4 #41, recorded December 7, 1994, in the Boulder County Clerk and Recorder's Office, being more particularly described as follows:

Commencing at the Center 1/4 Corner of said Section 13 (a found 3/4" Rebar with 2 1/2 " Aluminum Cap Stamped "CIVIL ARTS-DREXEL T1S R70W C1/4 S13 2007 PLS 25379"), Whence the South 1/4 Corner of said Section 13 (a found 2 1/2" Illegible Aluminum Cap in range box), bears S.00°06'51"W., a distance of 2708.35 feet (basis of bearing -- grid bearings of the UTM System Zone 13 North, NAD 1983 (1992));
Thence S.36°28'14"E., a distance of 2280.23 feet to the most westerly corner of said Tract A, being the POINT OF BEGINNING;

THENCE coincident with the northerly, easterly, and southeasterly lines of said Tract A the following four (4) courses:

1. N.89°09'21"E., a distance of 267.37 feet;
2. S.10°33'38"E., a distance of 106.62 feet;
3. S.63°03'51"E., a distance of 445.13 feet;
4. S.80°48'47"E., a distance of 284.73 feet;
5. Thence S.37°53'31"E., a distance of 58.69 feet to the northeasterly right of way line of U.S. Highway No. 36 as delineated on Project No. CC 07-0036-12, described at Film No. 1228, Reception No. 519864 recorded on November 15, 1982, as it existed in March 2012;

THENCE coincident with said northeasterly right of way line the following two (2) courses:

6. N.80°51'24"W., a distance of 332.95 feet;
7. N.63°04'24"W., a distance of 753.86 feet to the POINT OF BEGINNING.

The above described parcel contains 50,383 square feet (1.157 Acres), more or less.

Marla McOmber
10/16/2012

For and on the behalf of
Jacobs Engineering Group, Inc
Marla M. McOmber, PLS 24961
707 17th Street, Suite 2300
Denver, CO 80202

Colorado Department of Transportation

1420 2nd Street
Greeley, CO 80631
Phone/Fax: 970-350-2161

Region 4 PTS

Sheet Revisions		
Date	Description	Initials
mm/dd/yy	XXXXXXXX	XXX

Sheet Revisions		
Date	Description	Initials
mm/dd/yy	XXXXXXXX	XXX

Sheet Revisions		
Date	Description	Initials
mm/dd/yy	XXXXXXXX	XXX

1" = 100'

Right of Way Plans

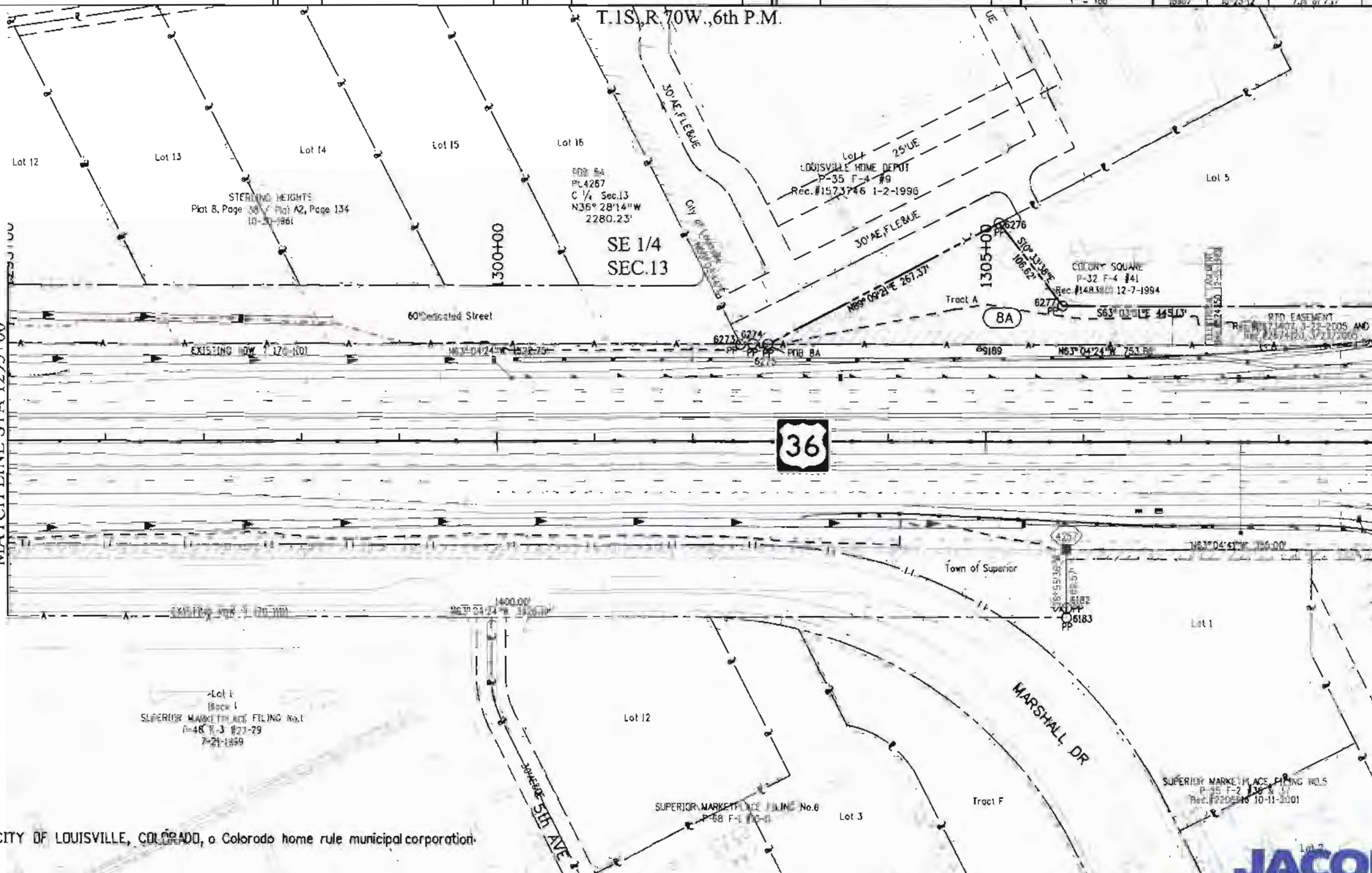
Plan Sheet

Project Number: NH 0361-103, Segment F

Project Location: Foothills Pkwy to McCaslin Blvd

Secs.9,10,11,13,14 T1S,R70W/6th PM

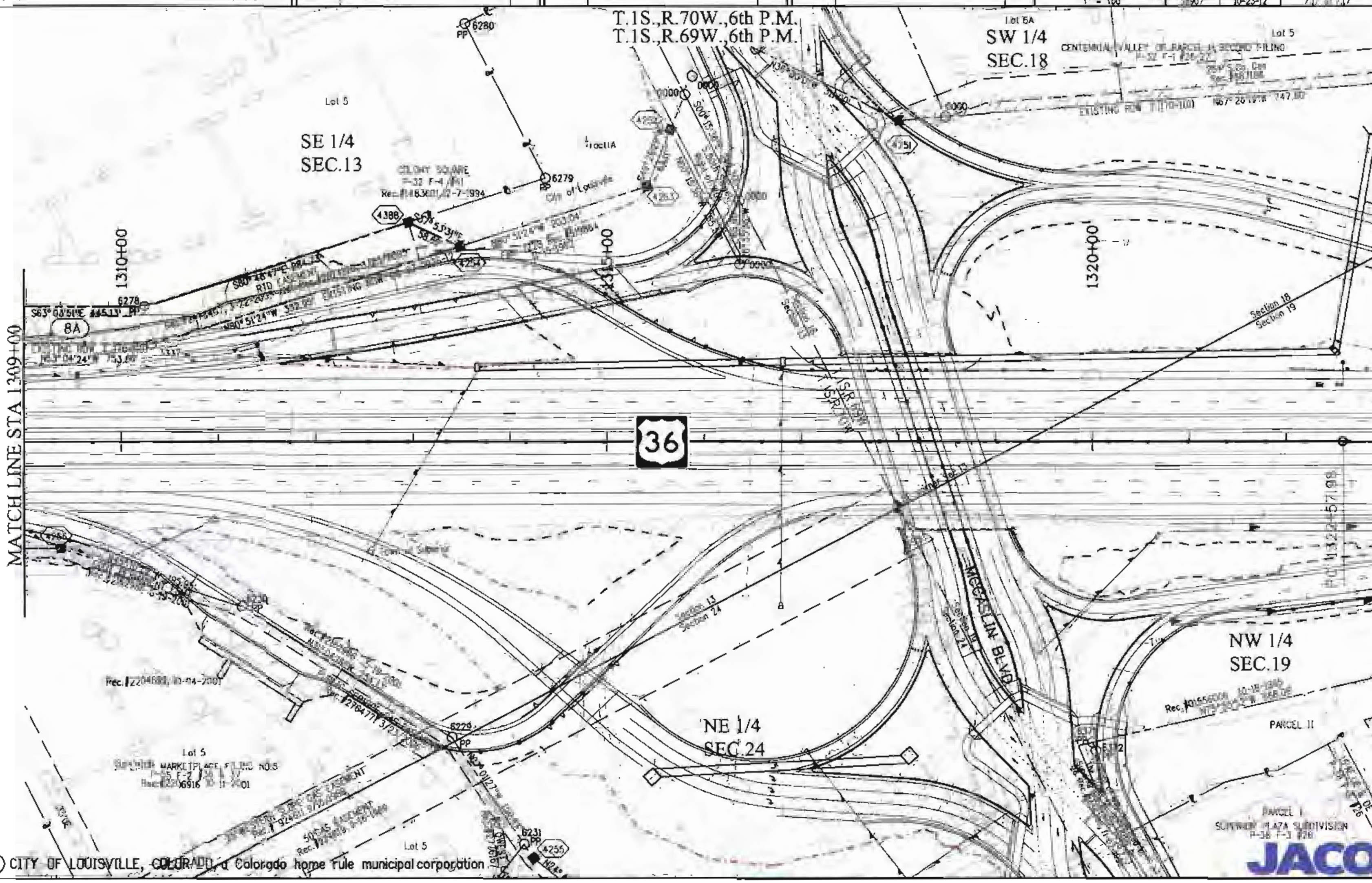
Project Code	Last Mod. Date	Subset	Sheet No.
18807	10-23-12	7.18 of 7.37	7.18



8A CITY OF LOUISVILLE, COLORADO, a Colorado home rule municipal corporation.

JACOBS

Colorado Department of Transportation	Sheet Revisions	Sheet Revisions	Sheet Revisions	Right of Way Plans
1420 2nd Street Greeley, CO 80631 Phone/Fax: 970-350-2161 Region 4 PTS	Date mm/dd/yy · Description XXXXXXXX · Initials XXX	Date mm/dd/yy · Description XXXXXXXX · Initials XXX	Date mm/dd/yy · Description XXXXXXXX · Initials XXX	Plan Sheet Project Number: NH 0361-103, Segment F Project Location: Foothills Pkwy to McCaslin Blvd Secs 9,10,11,13,14 T1S,R70W/6th PM Last Mod. Date 10-23-12 · Sheet No 7.17



(8A) CITY OF LOUISVILLE, COLORADO, a Colorado home rule municipal corporation

JACOBS

GRANT OF EASEMENTS AND AGREEMENT

THIS GRANT OF EASEMENTS AND AGREEMENT (hereafter "Agreement") is made and entered into this 21st day of December, 2004, by and between the CITY OF LOUISVILLE, a Colorado home rule municipal corporation (hereafter "City") and the REGIONAL TRANSPORTATION DISTRICT, a political subdivision of the state of Colorado organized pursuant to the Regional Transportation District Act, C.R.S. 32-9-101 et seq. (hereafter "RTD").

For and in consideration of the promises, covenants and undertakings hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and RTD agree as follows:

1. Grant of Easement. The City hereby grants to RTD a perpetual and non-exclusive easement to occupy and use, subject to all of the terms and conditions of this Agreement, that certain property legally described on Exhibit A, attached hereto and incorporated herein by reference (the "Premises"), for the construction, installation, operation, maintenance, use and repair of the Louisville portion of the US Highway 36 & McCaslin Boulevard Park-n-Ride facilities, which facilities include a pedestrian walkway and bridge facilities; elevator; stairways; parking facilities; storm drainage facilities; lighting and sign improvements; security cameras; benches; bicycle storage facilities; trash receptacles; signage; landscaping improvements; and related facilities and appurtenances (hereafter the "Permitted Improvements"), all of which facilities are more particularly described and depicted on the City-approved plans and specifications therefore, including the Colony Square Amended Final Development Plan (approved by Resolution No. 14, Series 2004), and the construction plan sheets for the Permitted Improvements, , all of which as may be amended and in effect from time to time (hereafter the "Plans and Specifications"). In the event RTD proposes installation of improvements that are not set forth on the Plans and Specifications or that do not require a building permit from the City, such installation may be authorized by written amendment to the Plans and Specifications. The amendment shall be executed by the duly-authorized representatives of both parties prior to installation of such improvements, but no other amendment to this Agreement is required to be executed or recorded for installation of improvements that are set forth on the City-approved Plans and Specifications or City-approved amendments thereto.

2. Ingress and Egress. The City hereby further grants to RTD, its officers, agents, employees and contractors, the non-exclusive right of ingress and egress over the Premises for the construction, installation, operation, maintenance, use and repair of the Permitted Improvements.

3. Purposes. The Premises may be occupied and used by RTD for the sole purposes of constructing, installing, operating, maintaining, using, and repairing the Permitted Improvements shown on the Plans and Specifications. Except as specifically allowed by this Agreement, RTD shall not place, build, expand, or add to any structures or other items on the Premises. Except to the

RdB

extent included with the Permitted Improvements, RTD shall have no right to erect any barrier, gates, or guards upon the Premises without the prior written consent of the City.

4. Reserved Rights. The City reserves the right to use and occupy the Premises for any purpose which will not unreasonably interfere with or endanger any of RTD's Permitted Improvements or the use thereof as permitted under this Agreement.

5. Damage to City Installations. In the exercise of its rights pursuant to this Agreement, RTD shall avoid any damage or interference with any City installations, structures, utilities, or improvements on, under, or adjacent to the Premises. To the extent practicable, RTD shall restore any City facilities damaged by RTD's activities permitted hereunder to the condition that existed immediately prior to the commencement of such activities.

6. Non-Liability of City. The City shall have no responsibility, liability, or obligation with respect to the safety or security of any personal property placed or located on, at, or in the Premises, it being acknowledged and understood by RTD that the safety and security of any such property owned by RTD is the sole responsibility and risk of RTD.

7. Maintenance. RTD shall at its expense take such actions as are necessary to maintain the Permitted Improvements in good, safe and clean condition at all times. RTD shall plow and store snow on the Premises only in locations mutually acceptable to City and RTD. In its use and occupancy of the Premises, RTD shall comply at all times with the ordinances, resolutions, rules, and regulations of the City; with all other applicable laws and regulations; with the terms, conditions and requirements of the approved Colony Square Amended Final Development Plan; and with the terms and conditions of this Agreement, and any other agreement with the City applicable to the Premises or Permitted Improvements, all of which as may be amended from time to time. If RTD fails to comply with its obligations under any of the above, such noncompliance shall constitute a breach of this Agreement. The City may, in addition to any other remedy available to it for breach, take such measures as it determines necessary to bring the Premises into compliance, and the cost of any such measures shall be paid by RTD. The City shall not take any such measures until it has first given RTD written notice and 30 days to cure such noncompliance.

8. Prior Rights. RTD understands that the interests granted hereunder are granted subject to prior franchise agreements and subject to all restrictions, easements, ownerships and other interests of record and/or apparent on the ground. RTD shall be solely responsible for coordinating its activities hereunder with the holders of such franchise agreements or other interests, and for obtaining any required permission for such activities from such holders if required by the terms of the franchise or other interest.

9. Insurance. A. RTD shall cause each of its contractors to procure and maintain the minimum insurance coverages listed below. All coverages shall be continuously maintained to cover all liability, claims, demands, and other obligations for any activities undertaken or work

performed in the Premises on behalf of RTD. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.

1. Workers' Compensation insurance to cover obligations imposed by the Workers' Compensation Act of Colorado and any other applicable laws for any employee engaged in any activity on the Premises under the employ or at the instance of RTD or its agents or contractors.

2. General Liability insurance with minimum combined single limits of ONE MILLION DOLLARS ($1,000,000) each occurrence and TWO MILLION DOLLARS ($2,000,000) aggregate.

3. Comprehensive Automobile Liability insurance with minimum combined single limits for bodily injury and property damage of not less than FIVE HUNDRED THOUSAND DOLLARS ($500,000) per person in any one occurrence and ONE MILLON DOLLARS ($1,000,000) for two or more persons in any one occurrence, and auto property damage insurance of at least FIFTY THOUSAND DOLLARS ($50,000) per occurrence, with respect to each owned, hired or non-owned vehicles assigned to or used in any activities permitted under this Agreement.

B. The policies required above, except for the Workers' Compensation insurance, shall be endorsed to include the City, and its officers and employees, as additional insureds with primary coverage as respects the City of Louisville, its officers and its employees, and shall contain a severability of interests provision. Every policy required above shall be primary insurance, and any insurance carried by the City, its officers, or its employees, shall be excess and not contributory insurance to that provided by RTD contractors. The additional insured endorsement for the Comprehensive General Liability insurance required above shall not contain any exclusion for bodily injury or property damage arising from completed operations. RTD or its contractors shall be solely responsible for any deductible losses under each of the policies required above.

C. Certificates of insurance shall be provided as evidence that policies providing the required coverages, conditions, and minimum limits are in full force and effect, and shall be subject to review and approval by the City. Each certificate shall provide that the coverages afforded under the policies shall not be cancelled, terminated or materially changed until at least 30 days prior written notice has been given to the City. If the words "endeavor to" appear in the portion of the certificate addressing cancellation, those words shall be stricken from the certificate by the agent(s) completing the certificate. The City reserves the right to request and receive a certified copy of any policy.

D. To the extent RTD completes work at the Premises with its own forces, RTD shall procure and maintain, or provide through self-insurance, the above-required workmen's compensation coverage and liability coverage with a per person limit of $150,000 and a per claim limit of $600,000. Failure on the part of RTD or its contractors to procure or maintain policies providing the required coverages, conditions, and minimum limits shall constitute a material breach of RTD's obligations hereunder, for which the may immediately terminate or limit RTD's rights hereunder, or at its discretion may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by the City shall be repaid by RTD to the City upon demand.

10. Indemnification. RTD is political subdivision of the State of Colorado subject to the Colorado Governmental Immunity Act, C.R.S.24-10-101, et seq ("CGIA"). Without waiving any provisions thereof as to amount or types of liability to which it may be subject, RTD, shall be responsible for all damages to persons or property which may be caused by RTD or its agents, employees or contractors, or which may result or arise from their activities on the Premises. To the extent permitted by law and without waiving any claims against third party who may be in whole or in part responsible for such claims, RTD will indemnify and hold harmless the City, its elected and appointed officials, and its employees, agents and representatives, from any and all liability, damage, loss, cost or expense, including but not limited to reasonable attorney's fees, which the City, its elected and appointed officials, and its employees, agents and representatives may suffer as a result of any and all claims, demands, actions, costs or judgments made or brought against them by any person or entity, and which arise from RTD's use and occupancy of the Premises or this Agreement or the rights and obligations of RTD hereunder. RTD shall maintain adequate funds to self-insure against any claims that may be brought against RTD and/or the City pursuant to CGIA and which arise from RTD's use and occupancy of the Premises or this Agreement or the rights and obligations of RTD hereunder.

11. Governmental Immunity. Neither the City nor RTD waives or intends to waive by any provision of this Agreement the limitations on liability or other protections which are provided to the City and RTD, and their respective employees under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 et. seq. as respects claims of any third parties.

12. Transfer. The property rights granted herein shall be transferable by RTD only with prior written consent of City, which consent shall not be unreasonably withheld.

13. Binding Effect. This Agreement and the rights and obligations herein shall inure to the benefit of and be binding upon the parties and their respective representatives, successors and assigns. All of RTD's obligation hereunder shall apply with respect to initial installation and all future operation, maintenance, repair and replacement of the Permitted Improvements installed on the Premises.

14. Notice. Any notice or communication required or permitted hereunder shall be given

in writing and shall be personally delivered, sent by facsimile transmission, or sent by national overnight courier or United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

CITY:	RTD:
City of Louisville Attn: City Manager 749 Main Street Louisville, CO 80027	RTD Regional Transportation District 1600 Blake Street Denver, CO 80202

or to such other address or the attention of such other person(s) as hereafter designated in writing by the applicable parties in conformance with this procedure. Notices shall be effective upon personal delivery, receipt of facsimile transmission, or upon mailing (if sent by courier or United States mail) in compliance with this paragraph.

15. Breach; Termination. The City may terminate this Agreement if any breach hereof remains uncured thirty (30) days after written notice of breach is given to RTD; provided that if such breach is not susceptible to cure within such thirty-day period, that RTD shall have such longer period of time as is reasonable and necessary, when acting with diligence, to cure such breach, provided no such period shall exceed 120 days. In the event of breach, the City may pursue all remedies available at law or in equity, including but not limited to an action for damages or specific performance. All remedies shall be cumulative.

16. Waiver. Waiver by the City of any breach of any term or provision of this Agreement shall not be deemed a waiver of any subsequent breach of the same or any other term or provision thereof.

17. Attorney's Fees. In the event of any dispute or litigation arising under the terms of this Agreement to secure or enforce its rights, or in the event of nonperformance of any obligation arising under this Agreement, the City, if it prevails in such dispute, shall be entitled, in addition to other damages or costs, to receive from RTD court costs and reasonable attorneys' fees.

18. Amendments. Except for amendments to the Plans and Specifications made pursuant to Section 1, any amendment to this Agreement shall be in writing, authorized in accordance with the same formality as this Agreement, signed by both parties, and recorded in the Office of the Boulder County Clerk and Recorder.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the date first above written.

Boulder County Clerk, CO E 2674120 Page: 6 of 9 03/23/2005 03:53P R 46.00 D 0.00

CITY OF LOUISVILLE

By: ____________________
Charles Sisk, Mayor

CITY OF LOUISVILLE SEAL COLORADO

ATTEST:

____
Nancy Varra, City Clerk

STATE OF COLORADO)
)ss
COUNTY OF Boulder)

The foregoing Grant of Easements and Agreement was acknowledged before me this 21st day of December, 2004, by Charles Sisk, as Mayor of the City of Louisville and Nancy Varra, as City Clerk of the City of Louisville.

Witness my hand and official seal.

My commission expires on: 9/3/2008

____
Notary Public

NOTARY PUBLIC
BELINDA JO GOEBEL
STATE OF COLORADO
My Commission Expires 9/3/2008

REGIONAL TRANSPORTATION DISTRICT:

APPROVED AS TO LEGAL FORM FOR THE REGIONAL TRANSPORTATION DISTRICT.

BY ______ LEGAL COUNSEL

By: C. W. Marsella

Title: GM

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
COUNTY OF ~~BOULDER~~ Denver)

The foregoing instrument was acknowledged before me this 25 day of February, 2005, by C. W. Marsella.

Witness my hand and official seal.

My commission expires: My Commission Expires 07/01/2005

ROSALIE L. HANKUS NOTARY PUBLIC STATE OF COLORADO (SEAL)

Rosalie L. Hankus
Notary Public

12/22/2004 1:45 PM [gl] Y:\Louisville\Agreement\RTD Easement (final draft 12-22-04)

EXHIBIT A
TO
GRANT OF EASEMENTS AND AGREEMENTS

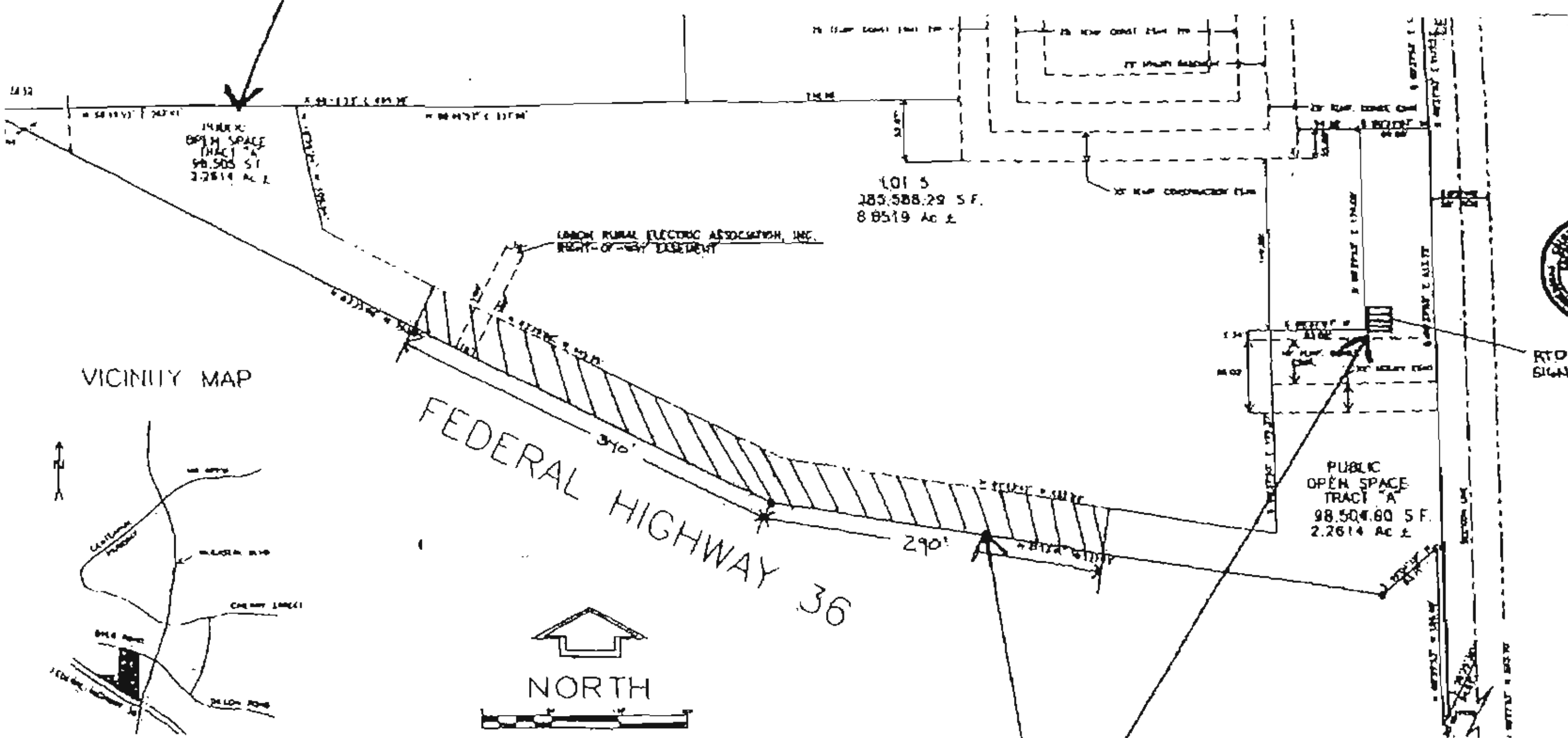
Legal Description of Easement Premises

That portion of

Tract A
Colony Square Subdivision
Plat recorded December 7, 1994
Film 2024 Reception No. 1483501

EXHIBIT A

TRACT A COLONY SQUARE SUBDIVISION



EASEMENT PREMISES

Certification of the Appraiser

Project: **US 36 Managed Lane, Segment F**
Ownership: **City of Louisville**

I certify that, to the best of my knowledge and belief:

- I have personally inspected the subject property appraised and I have also made a personal field inspection of the comparable sales relied upon in making this appraisal, examined sales instruments of record, and have confirmed the sale transactions with the buyer, seller, attorney in fact, and/or broker. The photographs in this appraisal report reasonably represent the subject property, the property to be acquired, and comparable sales relied upon.

- any increase or decrease in the reasonable market value of the real property appraised caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than physical deterioration within the reasonable control of the owner, was disregarded in this appraisal [Colorado Jury Instructions—Civil 4th, 36:3 and 49 CFR 24.103(b)]. This jurisdictional exception to USPAP Standards Rule 1–4(f) applies only to the reasonable market value of the larger parcel value before take and value of part(s) taken.

- my analyses, opinions, conclusions developed, and this appraisal have been prepared in conformity and consistent with the *Uniform Standards of Professional Appraisal Practice (USPAP)*, appropriate State laws, regulations, policies and procedures applicable to appraisal of property for public purposes.

- To the best of my knowledge no portion of the value assigned to the property consists of items which are non–compensable under established State law.

- the statements of fact contained in this report are true, and the information upon which the opinions expressed in this report are based is correct. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions set forth in this appraisal report, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions.

- I have no present or prospective interest in or bias with respect to the property that is the subject of this report, or in any benefit from the acquisition of the property appraised.

- I have no personal interest or bias with respect to the parties involved with this assignment.

- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three–year period immediately preceding acceptance of this assignment.

- my engagement in this assignment was not contingent upon developing or reporting predetermined results.

- neither my employment nor my compensation are in any way contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the clients, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. The value estimate was reached without collaboration or compulsion.

- I have not revealed the findings and results of this appraisal to anyone other than the proper officials of the Colorado Department of Transportation nor will I do so until required by due process of law or by having publicly testified as to the findings.

- no one provided significant professional assistance to the person signing this report.

- the use of this report is subject to the requirements of the Board of Real Estate Appraisers and the Appraisal Institute relating to review by their duly authorized representatives.

- as of the date of this report, I, Bonnie D. Roerig, MAI, has completed the requirements of the continuing education program of the Appraisal Institute in addition to the requirements of the continuing education program of the Board of Real Estate Appraisers, State of Colorado.

- the date of the appraisal report is March 15, 2013.

- based upon my independent appraisal and the exercise of my professional judgment, my opinion of compensation for the acquisition as of the effective date of appraisal and valuation, February 28, 2013, is **$34,210** as if unaffected by hazardous waste or contamination issues. This represents adoption of an extraordinary assumption according to USPAP and may have affected the assignment results.

Bonnie D. Roerig

Bonnie D. Roerig, MAI (AI)
Colorado Certified General Appraiser #CG1313395

Summary of Experience and Qualifications – Bonnie D. Roerig, MAI

1. **Memberships:**

Appraisal Institute:

Designated MAI in November 1981
Executive Committee, 1995–1996
Board of Directors, 1995–1996
Finance Committee, 1995
National Planning Committee, 1994–1995
General Appraiser Board, 1992–1996; Vice–Chair 1994; Chair 1995 and 1996
Regional Member — Ethics Administration Division, Region II, 1992–1995
Assistant Regional Member – Ethics Administration Division, Region II, 1988–1992
General Demonstration Reports Subcommittee, Chair 2000–2002; Vice–Chair, 1999, Member 2003–04
Demonstration Appraisal Grading Panel – 2005–2012
General Admissions Committee, 2000–2002
Non–Residential Demonstration Reports Subcommittee — 1985–1990; Co–Vice Chair, 1987–1990
Board of Examiners — Appraisal Reports, 1987–1990
Instructor Subcommittee, 1998–1999
Qualifying Education Committee, 1999–2002; Vice–Chair, 1999
Appraisal Journal Editorial Subcommittee, 1999–2001; Chair and Editor–in–Chief, 2002–2003
Educational Publications Committee, 2002–2003
Region Finance Officer, Region II – 2005–2012
Member, Leadership Development and Nominating Committee, 2007
Chair, Appraisal Standards Committee, 2008–2011
Member, Strategic Planning Committee, 2008–2009
2009 Recipient, President's Award (for lifetime achievement)

Colorado Chapter of the Appraisal Institute:

Recipient of Distinguished Service Award, December 1996
President, 1990
Vice–President – President–Elect, 1989
Secretary–Treasurer, 1988
Board of Directors, 1985–1991
Co–Chairman, Admissions Committee, 1983–1984

International Right–of–Way Association, Mile Hi Chapter 6

Education Committee, 2002–2006
Recipient of Helen C. Peck/Frances Reisbeck Memorial Award, March 2005
Treasurer, 2007
Recipient of the Vic Ramer Memorial Right of Way Professional of the Year Award – 2007
Secretary, 2008
Vice–President, 2009
President, 2010–2011
International Director, 2011–2012

Educational Council of Appraisal Foundation Sponsors

Examination Committee, 2004–2009

2. **Business Affiliations:**

Owner, Bonnie Roerig & Associates, Real Estate Analysts and Value Consultants, since January 1988.
Incorporated Bonnie Roerig & Associates, LLC in February 2003.
Member, National Federation of Independent Business (NFIB)
Full Partner, Baughar–Roerig & Associates, August 1982 through December 1987.
Full–time real estate appraisal work since 1970, Denver–Boulder area and throughout Colorado.

3. **Experience:**

a) Appraisals throughout metropolitan Denver and in various locations in Colorado since 1970.
b) Extensive commercial, industrial, office, and vacant land appraisal experience.
c) Valuation studies and appraisals in conjunction with eminent domain proceedings since 1974.
e) Qualified as expert witness in various District and County Courts.
f) Appraisal review and appraisal consultation.
g) Fundamental market analysis studies.
h) Instructor, Appraisal Institute, USPAP, ACO, and various seminars.
i) Instructor and course developer, general demonstration report writing seminar, Appraisal Institute

j) Subject Matter Expert, Appraiser Qualifications Board, Appraisal Foundation
k) AQB Certified USPAP Instructor (No. 10334), 2003–March 2014
l) Contract investigator for Colorado Board of Real Estate Appraisers, 2007 and 2011
m) Arbitrator, real estate assessments, Boulder County, Douglas County and Jefferson County
n) Hearing Officer, Board of Equalization, Douglas and Boulder Counties, 2007–2011
o) Approved appraiser, Colorado Department of Transportation
p) Federal review appraiser, Regional Transportation District

4. Education:

a) Bachelor of Arts in Speech Arts, 1968
b) Master of Arts Degree in Communication Arts, 1971
c) Appraisal Institute/American Institute of Real Estate Appraisers:
Course I–A, Basic Appraisal Principles – Methods and Techniques
Course I–B, Capitalization – Theory and Techniques
Course 310, Basic Income Capitalization
Course 520, Highest & Best Use and Market Analysis
Course 530, Advanced Sales Comparison and Cost Approaches
Course 540, Report Writing and Valuation Analysis
Course 705, Litigation Appraising, Specialized Topics and Applications
Course IV, Condemnation
Course VI, Investment Analysis
Uniform Appraisal Standards for Federal Land Acquisitions Seminar ("Yellow Book")
Appraisal Curriculum Overview, 2008
Litigation Appraising: Specialized Topics and Applications, 2010
The Appraiser as an Expert Witness: Preparation & Testimony, 2010
d) Continuing education requirements of the Appraisal Institute have been met.
e) Colorado State General Certified Appraiser, No. CG1313395, continuing education current
f) Concepts and Principles of USPAP, An Instructor's Application, The Appraisal Foundation, 2003
g) Appraising Conservation Easements and Case Studies, ASFMRA, 2005
h) Integrating Appraisal Standards, IRWA, 2005
i) Spreadsheet Modeling, Appraisal Institute 2011
j) Valuation of Environmentally Contaminated Real Estate, IRWA, 2012

5. Appraisal and Consulting Clients:

Adams County
Apple Computer, Inc.
Arapahoe County
Bank of Boulder
CDH Associates, LLC
City of Aurora
City of Arvada
City of Black Hawk
City of Boulder
City & County of Denver
City of Colorado Springs
City of Estes Park
City of Englewood
City of Fort Collins
City of Lakewood
City of Littleton
City of Steamboat Springs
City of Westminster
Colorado Department of Transportation
Colorado Housing Finance Authority
ConocoPhillips
Denver Public Schools
Denver Urban Renewal Authority
Denver Water Board
E–470 Public Highway Authority
Englewood Downtown Development Authority
Federal Deposit Insurance Corporation
Front Range Airport
GSA – Public Building Services
Guaranty Bank and Trust Co.
Horan & McConaty Family Funeral Services
Howard Electric Company
Internal Revenue Service
ITT Grinnell
Jefferson County
KWAL Paints, Inc.
Montegra Capital Resources, Ltd.
Mountain States Bank
Murphy Creek Metropolitan District
Parker Water & Sanitation District
Pioneer Centres
Regional Transportation District
St. Joseph's Hospital
Southeast Corridor (T–Rex)
Steele Street Bank & Trust
Stewart Title Guaranty Co.
U.S. Postal Service
United Steel Workers of America
Upland Industries Corporation
Urban Drainage and Flood Control
Vectra Bank Colorado, N.A.
Various Private Clients
Xcel Energy

Bonnie Roerig & Associates, LLC
1873 S. Bellaire St., Suite 1222
Denver, CO 80222
303-757-5525

Testimony and/or deposition record
Bonnie D. Roerig, MAI

Date	Client	Case Name		Jurisdiction
Jan-00	RTD	19.427 acre owned by Denver Residential Inc., for acquisition for Park-n-Ride facility NS Ken Caryl Ave., ES Shaffer Pkwy.	Deposition Testimony	Jefferson County Dist.
May-01	Kirby Ross	Land Leased Fee Analysis, Royal Palace Hotel at 1565 Colo. Blvd., Denver	Deposition	Denver District
Jul-01	Alvin Chua, Esq.	Rent study for 605 Parfet St., Lakewood Tai-Dan Hsu, owner	Testimony	Jefferson County Dist.
Nov-02	City of Aurora	1470 Emporia St., Aurora (City acquisition), owned by Michael Deans	Testimony	Arapahoe County
Mar-03	Parker Water & Sanitation District	36 acres vacant land, Douglas County owned by Anton & Sherry Johnson	Deposition	Douglas County Dist.
Apr-03	Parker Water & Sanitation District	55.72 acres vacant land, Douglas County owned by Gwendolyn Mandel	Deposition	Douglas County Dist.
Jun-03	Parker Water & Sanitation District	55.72 acres vacant land, Douglas County owned by Gwendolyn Mandel	Testimony	Douglas County Dist.
Aug-03	W. 72nd Ave. Extension	Boyer property, partial acquisition 7240 Kipling Street	Deposition Testimony	Jefferson County Dist.
Sep-03	T-Rex	Haynes Mechanical Building Greenwood Village	Deposition Testimony	Arapahoe County
Nov-03	T-Rex	Koelbel Property, E. Yale Cir. Total taking	Deposition Testimony	Denver District
Feb-04 Mar-04	City of Arvada	HK Newplan Property Arvada Plaza Shopping Center PE and TE acq./Rebuttal	Deposition Testimony	Jefferson County Dist.
Nov-05	City of Black Hawk	Yonkers & Tarbox Partial Acquisition	Deposition Testimony	Gilpin County Dist.
Oct-06	Dry Creek Reservoir	Appraisal Review, three owners	Deposition	Larimer County Dist.
Apr-08	Union Pacific RR Co.	UP v. Cline et.al.	Deposition	Grand County Dist.
Aug-09	RTD	Smita Merchant, Inc. (1370-1390 Wadsworth)	Deposition	Denver District
Sep-09	RTD	Naiman, et al.	Deposition	Jefferson County Dist.
Oct-09	RTD	Naiman, et al.	Testimony	Denver District
Oct-10	RTD	Quadrant Properties	Deposition	Denver District
Mar-11	Internal Revenue Service	C.L. Mitchell LLC	Testimony	Federal Tax Court

REAL PROPERTY APPRAISAL REPORT

LOCATION:	Northeast Side US 36 South of Dyer Road Boulder County, Colorado
OWNERSHIP:	City of Louisville, Colorado
PARCEL NO.:	8B

SUMMARY REPORT
PARTIAL TAKE NARRATIVE REPORT

PREPARED FOR:

Ms. Nancy Terry
Region 6 ROW – Appraisal
Colorado Department of Transportation
2000 S. Holly Street
Denver, Colorado 80202

PREPARED BY:

Bonnie D. Roerig, MAI

Bonnie Roerig & Associates, LLC
Real Estate Analysts • Valuation Consultants
1873 S. Bellaire Street, Suite 1222
Denver, Colorado 80222–4359

PROJECT:	**US 36 Managed Lane Project**
PROJECT CODE:	**18907**
PROJECT NO.:	**NH 0361–103 Segment F**
APPRAISER:	**Bonnie D. Roerig, MAI**
DATE OF VALUATION:	**February 17, 2013**
DATE OF REPORT:	**March 1, 2013**

Real Estate Analysts
Valuation Consultants

Bonnie Roerig & Associates, LLC
Bonnie D. Roerig, MAI

March 1, 2013

Ms. Nancy Terry
Region 6 ROW – Appraisal
Colorado Department of Transportation
2000 S. Holly Street
Denver, Colorado 80202

RE:	PROJECT:	US 36 Managed Lane
	LOCATION:	Foothills Parkway to McCaslin Boulevard Boulder County, Colorado
	OWNERSHIP:	City of Louisville

Dear Ms. Terry:

This is my real property appraisal report for the referenced property with an effective date of appraisal and valuation as of February 17, 2013. The purpose of this appraisal is to provide an opinion of compensation for the reasonable market value of the property actually taken; compensable damages, if any, to the residue; and specific benefits, if any, to the residue. Only the underlying land/site value and affected improvements acquired in the taking area have been valued in this appraisal per CDOT assignment condition. The development of my appraisal is contained in the attached appraisal report which sets forth my conclusions, supporting data, and reasoning.

I understand that this appraisal may be used in connection with the acquisition of land for the referenced project to be constructed the Colorado Department of Transportation. If necessary, this report with supporting data, analyses, conclusions, and opinions is to serve as a basis for court testimony for condemnation trial purposes. This appraisal report will become a public record after final settlement with the owner or after the conclusion of legal proceedings.

The reasonable market value and compensation estimate are subject to certain definitions, assumptions and limiting conditions, and certification of appraiser set forth in the attached appraisal report. Based upon my independent appraisal and exercise of my professional judgment, my compensation estimate for the acquisition as of February 17, 2013 is **$37,430.** Note that this appraisal is based on adoption of an extraordinary assumption relative to environmental issues. This extraordinary assumption may have affected the assignment results.

Sincerely,

Bonnie D. Roerig, MAI (AI)
Colorado Certified General Appraiser #CG1313395
BDR/ma

1873 S. Bellaire Street
Suite 1222
Denver, Colorado 80222-4359
Phone: 303-757-5525
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E-mail: bonnie@coloradoappraiser.net

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EXHIBITS AND ADDENDA

Executive Summary

Project:	US 36 Managed Lane Project, Segment F
Project Code:	18907
Project Number:	8B
Name of Owner:	City of Louisville, Colorado
Property Address or Location:	Northeast side US Highway 36, south of Dyer Road, Boulder County, Colorado
Project Location:	Foothills Parkway to McCaslin Boulevard, Boulder County, Colorado
Property Interest Appraised:	Fee simple subject to conservation easement
Owner Present at Inspection:	Yes; Mr. Joe Stevens was present on February 28, 2013
Effective Appraisal/Value Date:	February 17, 2013
Date of Appraisal Report:	March 1, 2013
Environmental Concerns:	No environmental investigation has been provided and I am not qualified to make such investigation. The value estimate is based on adoption of the extraordinary assumption that the site is "clean." This assumption may have affected the assignment results. Notwithstanding this assumption, if information is subsequently made available that would invalidate it, then the value conclusion is subject to change (assuming the scope of work includes appraisal of the land as contaminated).
Larger Parcel Land/Site Area:	204,062 square feet or 4.6846 acres according to legal description. CDOT project plans show 4.687 acres. The area in the legal description has been adopted for purposes of this appraisal.
Owner Improvements:	None. South perimeter fencing is the property of CDOT. Balance of fencing is the property of the ownership.
Subject Five– Year Sales History:	There have been no open market, arm's length transactions of the property since a conservation easement on the property was conveyed by the City of Louisville to the County of Boulder on July 31, 2007. Prior to this conveyance, the property along with other lands was sold to the City of Louisville on July 31, 2007 for $1,017,500.
Zoning:	County conservation easement, Boulder County
Highest/Best Use Before Take:	Open space and natural areas
Highest/Best Use After Take:	Unchanged.
Part Taken Total Land/Site Area:	41,589 square feet; 0.955 acres, more or less
Damage Considerations:	None noted
Cost to Cure:	None
Special Benefits Considerations:	None noted

Value and Compensation Conclusions	
Larger Parcel Value Before Take	
Site Value	$183,655
Improvements Value	
Larger Parcel Value Before Take	**$183,655**

Value of Part Taken						
Site Value of Part Taken:						
Parcel	Area	Unit Value	Rate (%)	Value	Total Value	
4	41,589 SF	$0.90/SF		$37,430		
Site Value of Part Taken, rd.					$37,430	
Easement Value of Part Taken:						
Parcel	Area	Unit Value	Rate (%)	Value	Total Value	
Easement Value of Part Taken						
Improvements Value of Part Taken:						
Imp. No.	Description (Type, Size, Age, Condition, etc.)			Contr. Value	Total Value	
Total Improvements Value of Part Taken						
Value of Part Taken						**$37,430**

Residue Value Before Take		
Larger Parcel Value and Improvements Before Take	$183,655	
Less: Value of Part Taken	$37,430	
Residue Value Before Take		**$146,225**

Residue Value After Take		
Site Value – Residue After Take	$146,225	
Improvements Value – Residue After Take		
Residue Value After Take		**$146,225**
Compensable Damages to Residue After Take		**$–0–**
Indicated Specific Benefits to Residue After Take		**$–0–**

Compensation Summary		
Land Value of Part Taken		$37,430
Compensable Damages – Residue After Take		
Restoration Cost (Cost to Cure) – Residue After Take		
Specific Benefits – Residue After Take		
Net Compensable Damages (and/or Offsetting Specific Benefits) to Residue		
Rental Value of Temporary Easements		
Compensation Estimate		**$37,430**

Subject Property

Looking southwest from Dyer Road at the subject larger parcel

(Note: this photograph was taken on February 28, 2013.)

PART 1 – SCOPE OF WORK

Assumptions and Limiting Conditions

The certification of the appraiser who developed this report is subject to the *Assumptions and Limiting Conditions* that are listed below:

Extraordinary Assumptions

Definition of Extraordinary Assumption: *"An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions."*

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, Washington DC, 2012–2013 Ed., U–3.

This assignment is to estimate compensation for the proposed CDOT acquisition under the extraordinary assumption that the subject site is "clean." No information is available regarding potential environmental hazards at this property. USPAP requires disclosure that this may have affected assignment results.

Hypothetical Condition

Definition of Hypothetical Condition: "A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis."

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of the data used in an analysis.

Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, Washington DC, 2012–2013 Ed., U–3.

No hypothetical conditions were adopted in this analysis.

General Assumptions and Limiting Conditions

1. The legal descriptions, land areas, surveying and engineering data provided by the Region are assumed to be correct. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photographs and exhibits are included for the same purpose. Site plans are not surveys unless prepared by a separate surveyor.

2. This is a summary appraisal report, which is intended to comply with the reporting requirements set forth in Standards Rule 2–2(b) of USPAP.

3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report. The property is appraised "as if free and clear" of liens and encumbrances, but subject to existing easements, covenants, deed restrictions, and rights–of–way of record, and excepting therefrom all rights to oil, natural gas, or other mineral resources beneath such real property. This mineral interest exception is an assignment condition.

4. Opinions, estimates, data, statistics, exhibits, drawings, sketches and similar materials furnished by others in the course of studies relating to this report are considered reliable unless otherwise noted.

5. Responsible ownership and competent management of the subject property are assumed.

6. This report is as of the date set out and is not intended to reflect subsequent fluctuations in market conditions, up or down. As an assignment condition, no specific exposure time is linked to the value and compensation conclusions in this appraisal report, however, reasonable exposure time is presumed. This is in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions, which is a guiding document in eminent domain appraisal procedures and policies followed by CDOT and by other agencies, organizations and appraisal professionals.

7. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or arranging for engineering studies that may be required to discover them.

8. It is assumed the subject property complies with all applicable zoning and use regulations and restrictions, unless non–conformity has been stated, defined, and considered in this appraisal report.

9. It is assumed the use of land and improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass unless otherwise stated in this report.

10. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection of the subject property. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the subject property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.

11. Certain tabulations in this report include embedded Microsoft® Excel spreadsheet objects. The numbers displayed in these objects are computed by the program with unrounded numbers except where they are labeled as "Rounded to." This spreadsheet cannot be checked by use of a calculator unless it is a financial calculator which also uses internally unrounded numbers. The tabulation displays to zero or two decimal places, as appropriate.

Purpose of the Appraisal

Eminent domain appraisal is subject to the Code of Federal Regulations (CFR) and the federal Uniform Act appraisal requirements, Colorado Revised Statutes (C.R.S.), and Colorado Jury Instructions (CJI). Real property appraisal development and reporting are subject to the *Uniform Standards of Professional Appraisal Practice (USPAP).*

The purpose of this appraisal was to develop a compensation estimate for the reasonable market value of the property/property rights being sought; compensable damages, if any, to the residue; and specific benefits, if any, to the residue. Referred to as the modified state before–and–after rule, steps to develop a compensation estimate for the acquisition of real property are:

1. Larger Parcel Value Before Take
2. Value of Part Taken (including easements acquired)
3. Residue Value Before Take (Value of Larger Parcel Before Take Less Value of Part Taken)
4. Residue Value After Take (including encumbered easement areas acquired)
5. Analysis of Damages and/or Benefits
6. Rental Value of Temporary Easements
7. Compensation Estimate Summary

Please see the Appendices for further details about the steps outlined above.

Identity of the Clients and Intended Users

This appraisal report has been prepared for the client, CDOT. Intended users of this appraisal report include representatives of CDOT, attorneys with the Colorado Office of the Attorney General, and representatives of RTD. Other known users include the property owner or the owner's personal representative, and/or property owner's attorney.

Intended Use of the Appraisal

The intended use of the appraisal is in connection with the acquisition of right–of–way for the referenced project to be constructed by CDOT which includes Federal–aid highway funding. If necessary, this appraisal report with supporting data, analyses, conclusions, and opinions is to serve as a basis for court testimony in condemnation trial proceedings. The appraisal report will become a public record after settlement with the property owner or at the conclusion of legal proceedings if necessary.

Real Property Interest Appraised

The real property interest of the subject larger parcel before take, the part taken, and residue after take are valued as fee simple estate (title). The property is appraised "as if free and clear" of all liens, bond assessments, and indebtedness, but subject to existing easements, covenants, deed restrictions, rights–of–way of record, and excepting therefrom all rights to oil, natural gas, or other mineral resources beneath such real property. This mineral interest exception is an assignment condition.

Definition of Reasonable Market Value

For purposes of this assignment, reasonable market value is defined as:

> The value you are to determine for the property actually taken is the reasonable market value for such property on (February 17, 2013). "Reasonable market value" means the fair, actual, cash market value of the property. It is the price the property could have been sold for on the open market under the usual and ordinary circumstances, that is,

> under those circumstances where the owner was willing to sell and the purchaser was willing to buy, but neither was under an obligation to do so.
>
> In determining the market value of the property actually taken, you are not to take into account any increase or decrease in value caused by the proposed public improvement. (CJI–Civil 4th, 36:3)

Colorado Revised Statutes also addresses project influence:

> Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, shall be disregarded in determining the compensation for the property. (§24–56–117(1)(c), C.R.S.)

The Jurisdictional Exception Rule of USPAP applies to Standards Rule 1–4(f). In Standards Rule 1–4(f), anticipated public or private improvements must be analyzed for their effect on value as reflected in market actions. This is contrary to law for eminent domain appraisal. Jurisdictional exception authorities are Uniform Act, Title III, § 301(3); 49 CFR § 24.103(b); § 24–56–117(1)(c), C.R.S.; and CJI – Civ. 4th, 36:3.

See definitions of other terms and pertinent acronyms listed in the Addenda.

Effective Date of Appraisal

The effective date of appraisal, reasonable market value opinions, and compensation estimate for the proposed acquisition is as of February 17, 2013.

Date of Appraisal Report

The date of this appraisal report is March 1, 2013.

Date of Property Inspection and Owner Accompaniment

An offer was made to Mr. Joe Stevens with the City of Louisville to be present during the inspection on February 28, 2013. The offer was accepted. Some photographs were taken during that inspection. The property was inspected previously on February 17, 2013 and some of the photographs in this report were taken at that time.

Project Identification and Description

US Highway 36 between Denver and Boulder opened as a toll road in 1951. The toll road bonds were paid off early and the tolling infrastructure was removed in 1968. When it was built, this four–lane road had only one interchange between Denver and Boulder. In response to rapid population growth, there are now 10 interchanges along US 36 between I–25 and Boulder. However, the number of main through–lanes has remained at four.

In December on 2009, the Colorado Department of Transportation completed an Environmental Impact Statement which described Preferred Alternative improvements to the corridor which would be implemented in the future as funding became available. The main elements in the Preferred Alternative include one buffer–separated managed lane in each direction, Bus Rapid Transit (BRT) ramp stations, auxiliary lanes between most interchanges, and a bikeway. These are the first steps in implementing improvements described in the *US 36 Environmental Impact Statement*.

The project is a joint CDOT/RTD project entailing phased reconstruction of US Highway 36 including one managed lane in each direction, bike commuter trail and replacement of selected bridge structures on the corridor. What has been identified as Segment F, in which the subject property is located, impacts approximately 20 parcels in three ownerships. Segments E and F encompass approximately two miles of US 36 between 88th Street and McCaslin Boulevard. Construction began in Summer 2012 and is anticipated to be completed by 2014.

Right–of–Way Plans Relied on for Valuation Purposes

This appraisal was made under the assumption the acquisition for the proposed public improvement will occur as shown on CDOT's right–of–way plans for the project last modified on November 8, 2012. The subject acquisition is shown on pages 7.14 and 7.15, last modified on October 23, 2012, copies in the addenda. If any modifications are made to the plans, the appraiser reserves the right to revise the appraisal and appraisal report to reflect the change, if appropriate and necessary.

Scope of Research and Analysis

The extent of the process of collecting, confirming, and reporting data was consistent with the typical standard of care involved in consideration of the applicable approaches to value and conveying the results in a summary appraisal report. The steps taken in this analysis included extensive research into the nature of the location of the property, study of economic factors affecting the market as of the date of appraisal, physical inspection of the property, complete data research into available comparable sales, including examining recorded deeds, personal inspection and photographing of the sales, confirmation of sales with either the buyer or seller, analysis and adjustment of the sales, and conclusion of the value of the property appraised, in this case, by the sales comparison approach.

There are three approaches by which the value of real estate may be estimated: sales comparison, cost, and income capitalization approaches. USPAP Standards Rule 1–4 covers the three approaches to value.

Summary of Appraisal Problems

The principal problems considered in the appraisal process included those of the market value of the subject larger parcel and the total compensation due for the property actually being sought. Market support for the value of the subject larger parcel before the acquisition was based on the sales comparison approach.

A further consideration is the effect of the project on the value of the residue (remainder) parcel. This step included consideration of any sources of loss in value of the residue and any potential sources of benefits.

PART 2 – FACTUAL DATA – LARGER PARCEL BEFORE TAKE

Identification of Larger Parcel Before Take

Appraisal for eminent domain is unique in that it requires consideration of damages and/or benefits to the residue property after take when a partial taking occurs, thus the larger parcel from which a taking will be made must be determined.

Three conditions establish the larger parcel for the consideration of compensable damages and/or special benefits. The three conditions include the portion of a property that has:

- unity of ownership
- contiguity
- unity of use

In the subject case, the larger parcel is defined as the property owned by the City of Louisville, legally described as:

PARCEL B (SOUTH PARCEL):

A tract of land located in the SW1/4 of Section 13, T1S, R70W of the 6th P.M., County of Boulder, State of Colorado being all of that part of said SW1/4 lying Southerly of County Road 64 (Dyer Road) and Northerly of US Highway 36 (Denver-Boulder Turnpike) described as follows:

COMMENCING at the Center 1/4 Corner of said Section 13 from which the South 1/4 Corner of said Section 13, bears S00°00'09"W, 2708.39 feet (Basis of Bearing), thence S00°00'09"W, 767.12 feet along the East Line of said SW1/4 of Section 13 to the Southerly Right-of-Way Line of said County Road 64 (Dyer Road) and the POINT OF BEGINNING;

Thence continuing S00°00'09"W, 377.08 feet along said East Line of the SW1/4 of Section 13 to the Northerly Right-of-Way Line of said US Highway 36 (Denver-Boulder Turnpike);

Thence N63°11'07"W, 1127.31 feet along said Northerly Right-of-Way Line of US Highway 36 (Denver-Boulder Turnpike) to an Angle Point thereon;

Thence N18°11'07"W, 31.42 feet continuing along said Northerly Right-of-Way Line of US Highway 36 (Denver-Boulder Turnpike) to said Southerly Right-of-Way Line of County Road 64 (Dyer Road);

Thence S80°58'40"E, 1028.64 feet along said Southerly Right-of-Way Line of County Road 64 (Dyer Road) to the POINT OF BEGINNING;

Area = 204,062 square feet (4.6846 acres), more or less.

For information, the property is assessed by Boulder County under Property Identification Number 157713000012. The County shows the parcel size to be 4.85 or five acres. As shown above, the legal description defines 4.6846 acres. This area has been adopted for this assignment.

Location Analysis Summary

Provided in the addenda is a detailed description and analysis of the external market influences affecting the general subject area. What follows is a summary of the specific locational factors having a bearing on the subject property.

- The property is located on the northeast side of US Highway 36 (Denver–Boulder Turnpike) west of the Colony Square Shopping Center off McCaslin Boulevard. This project includes a Home Depot and a Lowe's along with a Regal Stadium 12 theater and a number of restaurants, offices and other retail properties.
- North and east of the property are rural residences along Dyer Road, an extension of W. Dillon Road west of McCaslin.
- On the east side of McCaslin is the Centennial Gateway development offering a Courtyard by Marriott and a Hampton Inn along with several restaurants.
- There is a multi–tenant office complex, Corporate Center at Centennial Valley, located northeast of the subject. West of Centennial Parkway which leads to the Corporate Center, West Dillon Road narrows and becomes Dyer Road. This dead–ends at the westerly end of the subject parcel.
- Open space lands are situated north and northwest of the subject as well as south of the turnpike.
- The heart of the Town of Superior is located south and west of the subject area, offering retail, office and residential properties. Homes include single–family detached homes in addition to townhomes and condominium units.
- More details of both Superior and Louisville are provided in the general location analysis in the addenda.
- Economically developable parcels in the subject area are poised for further development when conditions warrant.

Location Map

Property Data – Larger Parcel Before Take

Site Data

Location

Northeast side US Highway 36, south of Dyer Road, Louisville, Colorado.

County Assessor Parcel Number

157713000012

Present Use

Vacant open space land with perimeter fencing.

Land Size, Shape, Dimensions, and Frontage

The larger parcel is generally triangular in shape, coming nearly to a point at its west end. The Denver–Boulder Turnpike, US Highway 36 forms the northwest/southeast hypotenuse. A private drive runs north and south along the east boundary of the site and its north line is the south side of Dyer Road.

The total land area per the legal description is 204,062 square feet or 4.6846 acres. CDOT project plans show 4.687 acres. The area in the legal description has been adopted for purposes of this appraisal.

Access

The status of formal vehicular access to the property is unknown. There is a lane/driveway that extends along the east property line that appears to provide access to the single family residential property adjacent on the east.

Street Improvements Description

Dyer Road on the north side of the subject parcel is a two–lane asphalt–paved local street with no other improvements. Dyer Road ends at the subject's westerly corner. Further east of the property, Dyer has been widened and improved, becoming Dillon Road which intersects with McCaslin Boulevard approximately one mile east of the property.

US Highway 36 is a multi–lane median–divided highway with controlled access. The subject is situated northeast of the highway along its right of way.

Visibility and/or View

The property has good visibility from the highway.

Topography

The property is generally level to gently sloping downward to the north. Topography is shown in the property photographs provided at the end of this section.

Floodplain, Wetland, and Drainage

Boulder County flood mapping for the subject area confirms that the parcel is not in a flood hazard zone. A copy of the map is provided in the addenda. The closest flood area is the Coal Creek channel located east of the subject area.

Soil, Subsoil and Water Conditions

No information was available pertaining to the soils or subsoils at this specific property. Nearby properties have been improved with various structures for many years, tending to indicate that the soils and subsoils are conducive to development.

Easements, Encroachments, and Restrictive Covenants

Title information was provided for this assignment. Exceptions noted include the following:

- Conveyance of mineral rights in January 1978.
- Pipeline easement granted to Northern Natural Gas Company in 1982 (this easement may have been released subsequently).
- Rights of way for ditches, road and matters of survey disclosed in August 2007.
- Conservation easements in gross granted to the County of Boulder and the City of Louisville in September 2007.

Utilities

Under the assumption of its physical availability for development, Xcel Energy would provide both electrical and natural gas service to the subject property. Louisville would provide water and sewer service. To the best of our knowledge, utilities are not in service to the property at this time.

Land/Site Improvements

Perimeter fencing. The fencing along the southwest line of the parcel is CDOT right of way fencing.

Functional Adequacy

This parcel is of sufficient size and adequate shape to support a single family residence, were the land available for development.

Adjacent and Surrounding Land Uses and Development

US Highway 36 is adjacent on the southwest. Vacant land and low–density single family residential properties abut. To the east are commercial and office properties.

Anticipated Public or Private Improvements

None are known other than the US 36 Managed Lane project, for which a portion of the subject property is being sought for acquisition.

Nuisances and Hazards

None known; none observed during the property inspection.

Potential Environmental Hazards

This assignment is to estimate compensation for the proposed acquisition under the extraordinary assumption that the subject site is "clean." No property–specific information is available regarding potential environmental hazards. No observable evidence of sources of concern was noted during our property inspection. Appraisal of the property as "clean" has been based on adoption of an extraordinary assumption. This assumption may have affected the assignment results. In other words, if the property were found to be contaminated and the scope of work pertained to the "as–is" value of the property, the opinion of value would likely be different from that communicated in this report if remediation were necessary prior to development.

Land's Relationship to Neighboring Properties

The subject property is typical of vacant land in this area based on size, shape and topography.

Owner Improvements Data

None. South perimeter fencing is the property of CDOT. Balance of fencing is the property of the ownership.

Tenant Improvements

None known.

Use History

Vacant open land.

Sales History

There have been no open market, arm's length transactions of the property since a conservation easement on the property was conveyed by the City of Louisville to the County of Boulder on July 31, 2007. Prior to this conveyance, the property, along with other lands, was sold to the City of Louisville on July 31, 2007 for $1,017,500.

Listing/Contract Data

To the best of our knowledge, the subject property is not listed for sale and is not under contract for sale.

Rental History

N/A

Assessed Value and Real Estate Taxes

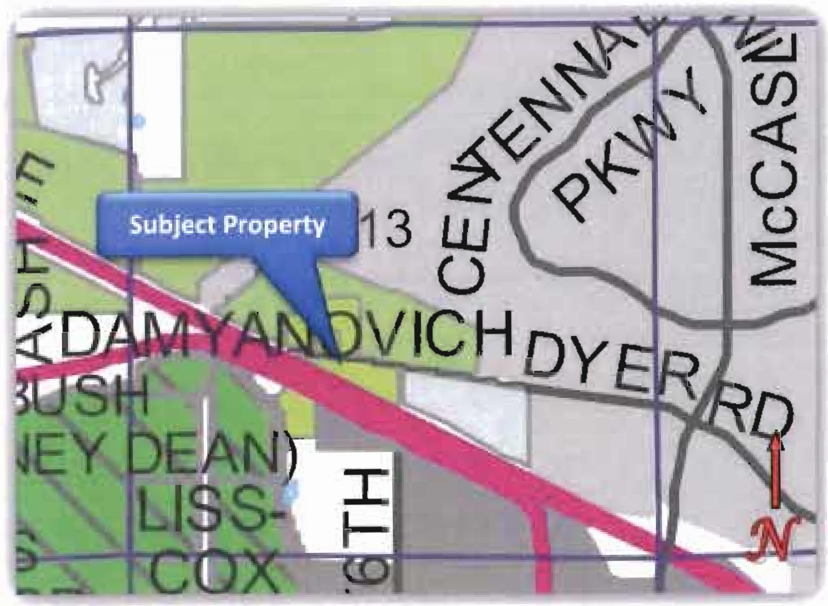
The property is assessed for real property tax purposes by Boulder County as shown below. Note that the assessments are for 2012, for taxes payable in 2013. The property is tax exempt.

Assessed Value and Taxes		
	Actual	**Assessed**
R0069797		
Land	$300	$87
Improvements	$0	$0
Total	$300	$87
Mill Levy (2012)		0.088236
Total taxes		$7.68

Zoning and Other Land Use Regulations

The subject property is currently shown by Louisville's zoning map to be unzoned joint-owned open space land. However, we confirmed that the property is not part of the City, being in unincorporated Boulder County.

According to Boulder County's July 2010 Open Space map, copy below, the property is shown as County Conservation Easement land.



The other important land use regulation is the conservation easement that applies to the property. This easement in gross, dated July 31, 2007 (Reception No. 2880940), places the parcel into open space/natural/agricultural use, in perpetuity. The Purchase Agreement for the Purchase of Conservation Easements, recorded immediately before the conservation easement in gross (Reception No. 2880939), specifically delineates the subject property, referred to in that document as "Parcel B," as not a legal building lot.

The property was identified as having significant natural, environmental, agricultural, scenic, open space and wildlife habitat attributes which constituted the property's primary conservation values. The conservation easement rights were purchased by Boulder County from the City of Louisville for $200,000, apparently applying to a total of 12.488 acres, or $0.368 per square foot.

Property Photographs

Northwest view of 8B larger parcel

View of east end of acquisition parcel 8B looking southwest

Looking northwest at taking parcel 8B from easterly end

Looking east at area of Parcel 8B acquisition

PART 3 – ANALYSIS AND CONCLUSIONS – LARGER PARCEL BEFORE TAKE

Highest and Best Use

Highest and best use is the most profitable and competitive use of a property. Colorado Jury Instructions – Civil 4th, 36:6 views highest and best use as follows:

> In determining the market value of the property actually taken (and the damages, if any, and benefits, if any, to the residue) you should consider the use, conditions and surroundings of the property as of the date of valuation.
>
> In addition, you should consider the most advantageous use or uses to which the property might reasonably and lawfully be put in the future by persons of ordinary prudence and judgment. Such evidence may be considered, however, only insofar as it assists you in determining the reasonable market value of the property as of the date of valuation (or the damages, if any, or the benefits, if any, to the residue). It may not be considered for the purposes of allowing any speculative damages or values.

Highest and best use is defined by the Appraisal Institute in *The Dictionary of Real Estate Appraisal*, Fifth Edition, Chicago, 2010, page 93, as:

> The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

The concept of highest and best use places emphasis on the economic capability of an existing or proposed improvement plan to show an acceptable (or the greatest) net return to the value of the underlying land. This involves development of the optimum physical structures that are legally permissible on a given site with said structures also being forced to meet the tests of economic feasibility, physical possibility, and logical appropriateness.

Analysis of the subject parcel for development to its highest and best use is tied to trends toward change in the immediate area of the property. It is also tied to the general market for properties likely to represent the highest and best use of the land, general economic trends as they affect the supply and demand for new development, and the physical and locational features inherent in the land itself.

Legal Permissibility:	The legally permitted uses of the property were outlined in the brief zoning discussion in the previous section. The conservation easement limits the use of this property to open space, natural areas, and agricultural uses.
Physical Possibility:	The parcel is physically available for development but legally prevented from alternate uses. On this basis, the property has been valued as unbuildable land.
Financial Feasibility and Maximal Productivity:	Considering the nature of the conservation easement, the optimum use of the land is for continued open space purposes.

Appraisal Valuation Methodology

The Sales Comparison Approach is the most reliable indicator of land value in an acceptably active market. This approach involves comparing the site being appraised with similar parcels in the general vicinity and/or with parcels purchased for similar land use, making adjustments for the various differences between the comparable sales and the subject site. After appropriate adjustments, an indication of value is developed from each sale. With consideration given to the relative importance and weight of the sales, a final estimate of land value is concluded.

The highest and best use conclusion for the subject property was that the optimum use is to continue in its current use as open space property. On this basis, we undertook research into sales and purchases of land for open space use. Most of the sales involved properties that had legally permitted economic uses to varying degrees, acquired for open space or park purposes at the discretion of the buyers. These sales formed the basis of the most closely comparable data available for this analysis.

The most active market participants in the purchasing of land for open space and other similar uses are typically cities, counties, and other government or quasi–government entities. As a result, our research was focused on contacting metropolitan area government entities to inquire into recent purchases of property for open space use. In particular, we focused on land parcels that had little or no permitted or potential use other than for open space, i.e., floodplain land and/or land limited by zoning, shape, topography, easements, etc.

The original search was not limited by land area/parcel size. This decision was made to avoid the factor of significant size differences when evaluating the market for open space parcels. Among the final group of seven sales, ranging from 19.012 to 161.39 acres, there is no clear pattern of unit (square foot) selling price differences based on parcel size.

We physically inspected, photographed, and confirmed the land sales, and secured copies of all available deeds. For the Boulder County Open Space purchases, complete copies of closing memoranda were kindly provided by Ms. Jan Burns, Real Estate Division Manager, Boulder County Parks & Open Space Department. The sales all represent open–market, arm's length transactions at market value according to Ms. Burns. Her assistance in confirmation of these purchases, some of which are relatively complex, is especially noted.

Details of the final sales are shown tabulated on the next page. The location of the sales is shown on the map following the tabulation. Photographs of the sales and individual sale data pages follow the map.

Tabulation of Sales

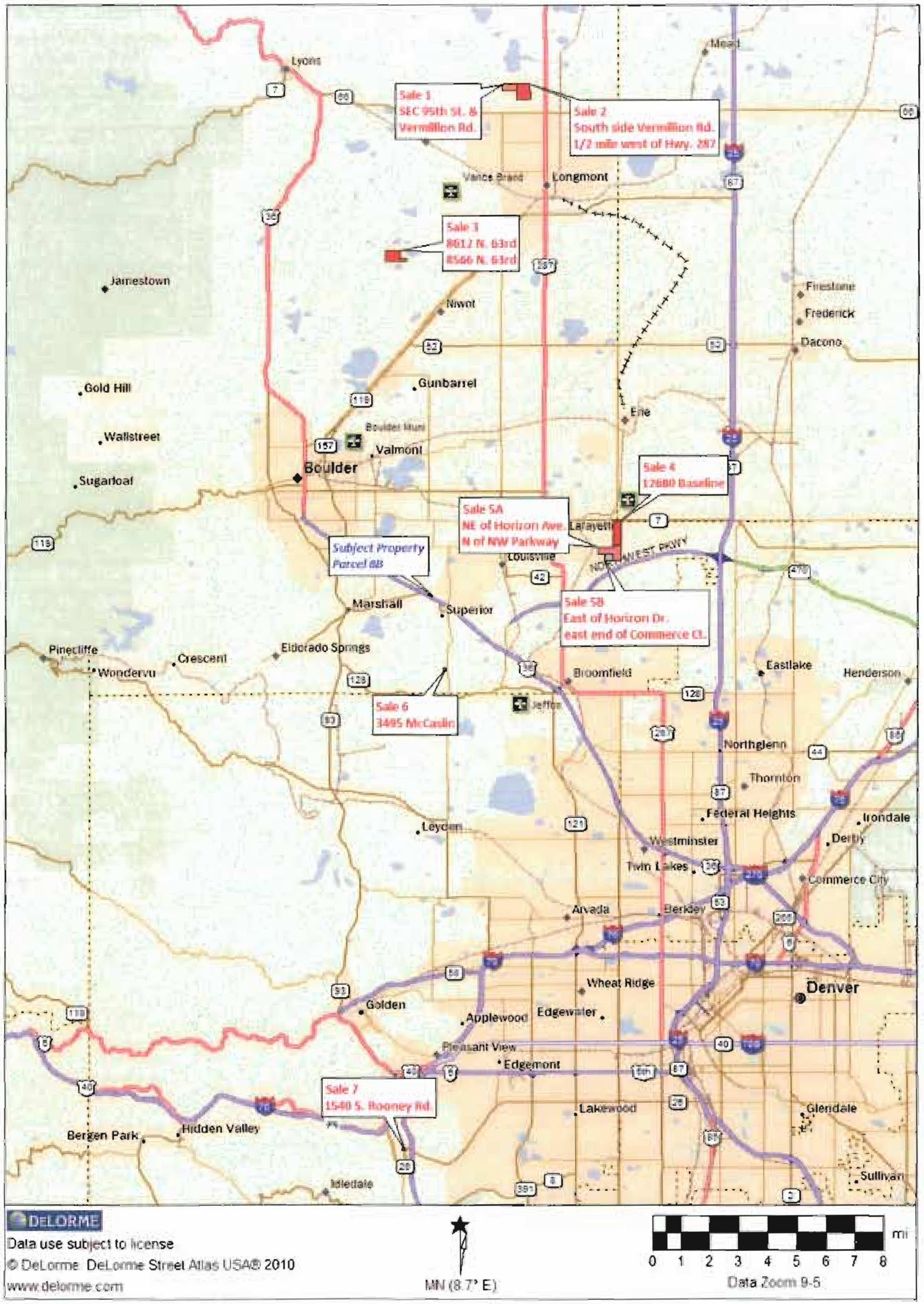
Summary of Land Sales

Sale No.	Sale Date	Location	Grantor	Grantee	Selling Price	Land Area-Ac.	$/Acre*	Land Area-SF	$/SF*	Land Only $/SF	Zoning	Record Data
1	May-10	Southeast corner 95th St. and Vermillion Road, Longmont	Pasqual, LLC	County of Boulder	$3,000,000	78.665	$38,136	3,426,647	$0.88	$0.80	A	3074990
2	Oct-08	Northwest of Longmont, south side of Vermillion Road, 1/2 mile west of Hwy. 287	Puma 66 Investors LLLP	County of Boulder/Longmont	$7,400,000	161.390	$45,852	7,030,148	$1.05	$0.98	A	2959950
3	Apr-08	8612 & 8566 N. 63rd Street SEC N. 63rd & Prospect Rd. Longmont	AHI Longmont Farms, LLC	County of Boulder	$5,200,000	155.778	$33,381	6,785,690	$0.77	$0.72	A	2924245
4	Sep-09	12680 Baseline Road; SEC Hwy 7 (Baseline Rd.) and east Boulder County Line Lafayette and uninc. Boulder Cty.	Mountainview Egg Farms, Inc.	City of Lafayette, und. 40% County of Boulder, und. 60%	$5,250,000	141 997	$36,973	6,185,389	$0.85	$0.79	AG	3033295
5A	Dec-05	North of Northwest Parkway, northeast of Horizon Avenue Lafayette	Roswell F. Taylor, Jr. and Dorothy L. Stephenson	County of Boulder and City of Lafayette	$4,182,091	165.768	$25,229	7,220,854	$0.58	$0 58	DR Lafayette	2748281
5B	Dec-05	East of Horizon Drive at the east end of Commerce Court Lafayette	Roswell F. Taylor, Jr and Dorothy L. Stephenson	City of Lafayette Total 5A and 5B.	$1,036,000 $5,218,091	39.620 205.388	$26,148 $25,406	1,725,847 8,946,701	$0.60 $0.58	$0.60 $0.58	DR Lafayette	2748282
6	Jan-07	3495 McCaslin Boulevard	Richard J Verhey and Jenette M. Verhey	Boulder County Parks & Open Space	$7,600,000	155.710	$48,809	6,782,728	$1.12	$1.12	A	2833331

Note: Parcel sizes of Boulder County properties were taken from closing memos provided by the County reflecting survey information.
In some cases, these areas vary from County assessment records.
*These unit selling prices reflect land and any water rights.

7	Dec-09	1540 S. Rooney Road; north of W. Alameda Pkwy., both sides of Rooney Road, Jefferson County	Three Dinos LLC	Jefferson County	$1,400,967	19.012	$73,690	828,142	$1.69	$1.69	CD-RM Jeffco	125314

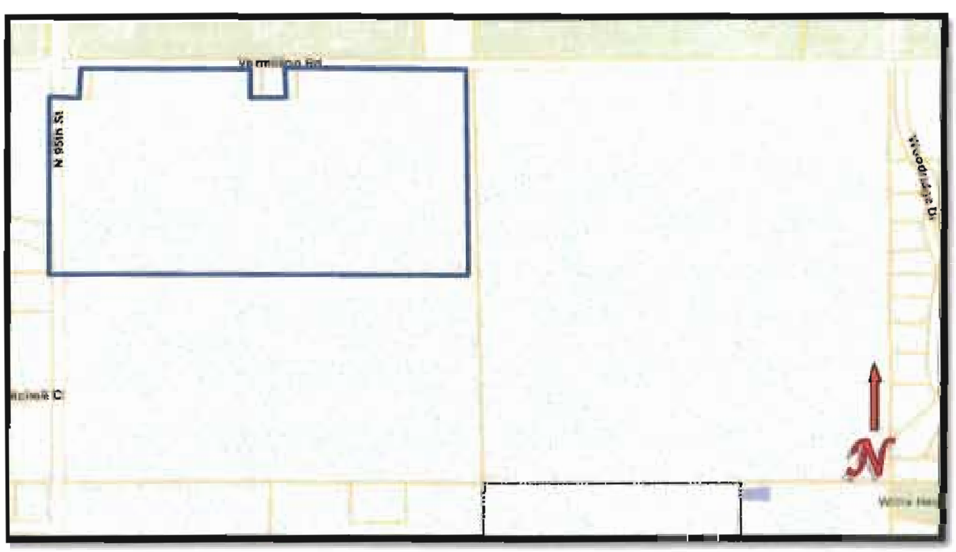
Sale Location Map



Sale Data Summaries

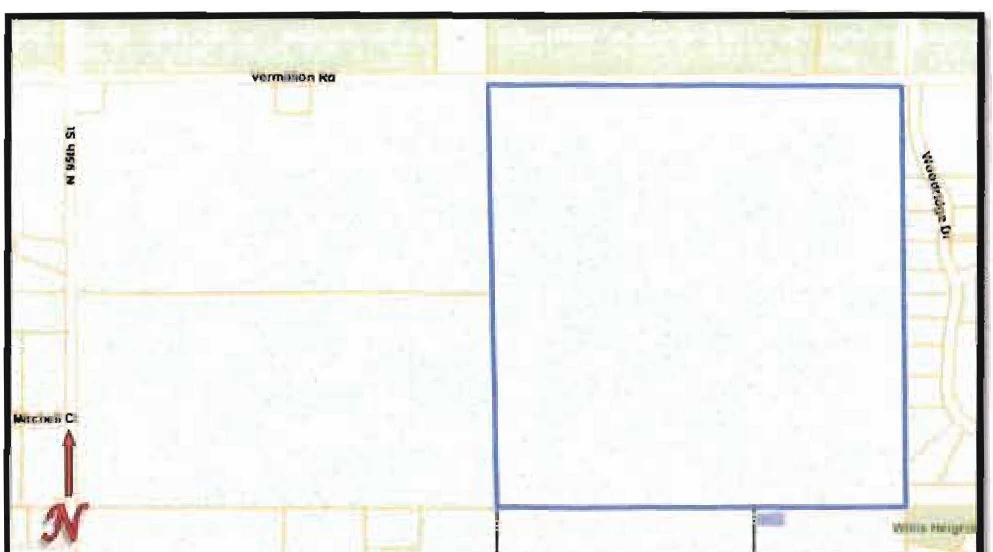
Sale No. 1

Address/Location:	Southeast corner 95th Street and Vermillion Road, Longmont	**View:**	East
		Photo By:	Bonnie D. Roerig, MAI
Date of Sale:	May-10	**Date Inspected:**	5/24/2011
Selling Price:	$3,000,000	**Zoning:**	A, Boulder County
Land Area-Acres:	78.665	**Reception Number:**	3074990
Selling Price/SF:	$0.88	**Use at time of sale:**	Vacant land
Grantor:	Pasqual, LLC	**Grantee:**	Boulder County
Comments:	Adjacent to Sale No. 2 on the west. Included one share of the capital stock of the Rough and Ready Irrigating Ditch Company. Boulder County paid an additional $30,000 in option money to extend the closing a year; not applied to purchase price. Water rights valued at $27,975; land equals $0.80/SF.	**Confirmed with:**	Jan Burns, RE Division Mgr. Boulder Co. Parks & Open Space Department
		Date Confirmed:	5/27/2011



Sale No. 2

Address/Location:	Southwest corner Woodridge Drive and Vermillion Road, Longmont	**View:**	Southwest
		Photo By:	Bonnie D. Roerig, MAI
Date of Sale:	Oct-08	**Date Inspected:**	5/24/2011
Selling Price:	$7,400,000	**Zoning:**	A
Land Area-Acres:	161.390	**Reception Number:**	2959950
Selling Price/SF:	$1.05	**Use at time of sale:**	Vacant land
Grantor:	Puma 66 Investors LLLP	**Grantee:**	Boulder County/Longmont
Comments:	Adjacent on the east to The Farm at Woodridge single family development, a gated subdivision of 27 one-acre and larger lots with asking prices from $140,000 to $197,400. Price included water rights valued at approximately $500,000 leaving land value at $6,900,000 or $0.98/SF Seller retained the adjacent 100± acs. On the south, development of which County will not oppose.	**Confirmed with:**	Jan Burns, RE Div. Mgr. Bo. Co. Parks & Open Space Dept.
		Date Confirmed:	5/27/2011

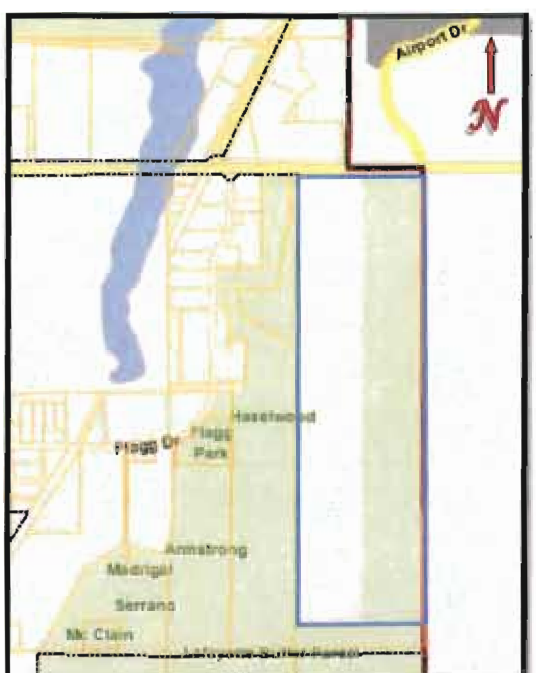


Sale No. 3

Address/Location:	8612 and 8566 N. 63rd Street Longmont	**View:**	Southeast; east
		Photo By:	Bonnie D. Roerig, MAI
Date of Sale:	Apr-08	**Date Inspected:**	5/24/2011
Selling Price:	$5,200,000	**Zoning:**	A
Land Area-Acres:	155.778	**Reception Number:**	2924245
Selling Price/SF:	$0.77	**Use at time of sale:**	Vacant land
Grantor:	AHI Longmont Farms, LLC	**Grantee:**	Boulder County
Comments:	County sold a conservation easement to City of Boulder. Designated Critical Wildlife Habitat in Comprehensive Plan. Purchase included improvements subsequently removed by County and water rights. Water valued at $320,000. Net land purchase to County was $0.72/SF.	**Confirmed with:**	Jan Burns, RE Div. Mgr. Bo. Co. Parks & Open Space Dept.
		Date Confirmed:	5/27/2011

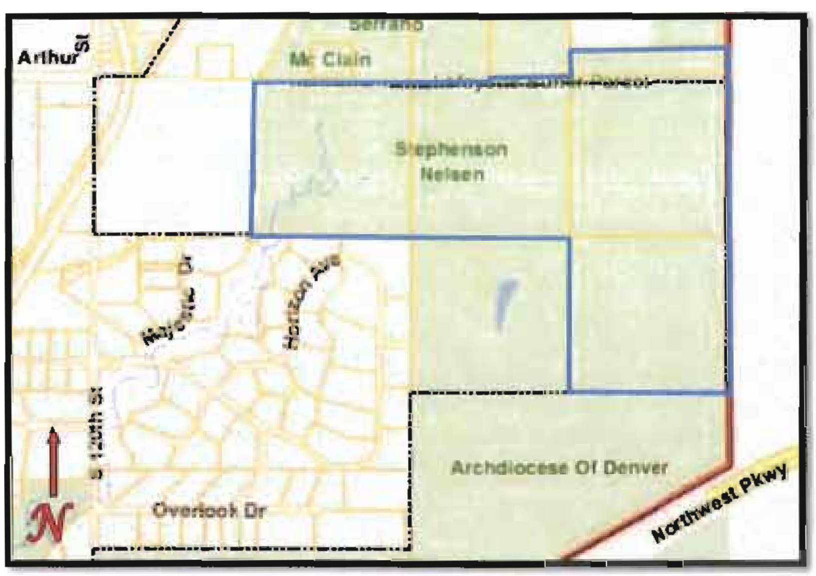
Sale No. 4

Address/Location:	12680 Baseline Road, part in Lafayette, part in Boulder County	**View:**	South
		Photo By:	Bonnie D. Roerig, MAI
Date of Sale:	Sep-09	**Date Inspected:**	5/24/2011
Selling Price:	$5,250,000	**Zoning:**	Ag
Land Area-Acres:	141.997	**Reception Number:**	3033295
Selling Price/SF:	$0.85	**Use at time of sale:**	Egg production facility
Grantor:	Mountainview Egg Farms, Inc.	**Grantee:**	City of Lafayette, undivided 40% Boulder County, undivided 60%
Comments:	Purchased to add property to the Coal Creek Trail which links Flagg Park east of Lafayette to Erie. Designated Proposed Open Space and Significant Agricultural Land of Local Importance under Boulder County Comprehensive plan. Water rights were valued at $340,000, leaves net land value at $0.79/SF. Chicken barns to be removed by both purchasers jointly.	**Confirmed with:**	Jan Burns, RE Division Mgr. Boulder Co. Parks & Open Space Department
		Date Confirmed:	5/27/2011



Sale No. 5A

Address/Location:	North of Northwest Parkway, northeast of Horizon Avenue	**View:**	Northeast from north of Horizon Ave.
		Photos By:	Bonnie D. Roerig, MAI
Date of Sale:	Dec-05	**Date Inspected:**	5/24/2011
Selling Price:	$4,182,091	**Zoning:**	DR (Developing Resource)
Land Area-Acres:	165.768	**Reception Number:**	2748281
Selling Price/SF:	$0.58	**Use at time of sale:**	Vacant land
Grantor:	Roswell F. Taylor, Jr. and Dorothy L. Stephenson	**Grantee:**	Boulder County and City of Lafayette
		Confirmed with:	Jan Burns, RE Division Mgr. Boulder Co. Parks & Open Space Department
Comments:	Crossed by Coal Creek and Rock Creek which meet at the west end of this parcel. Price was based on $25,900/acre for 158.769 acres already annexed to Lafayette and $10,000 for the seven acres not annexed.	**Date Confirmed:**	5/27/2011



Sale No. 5B

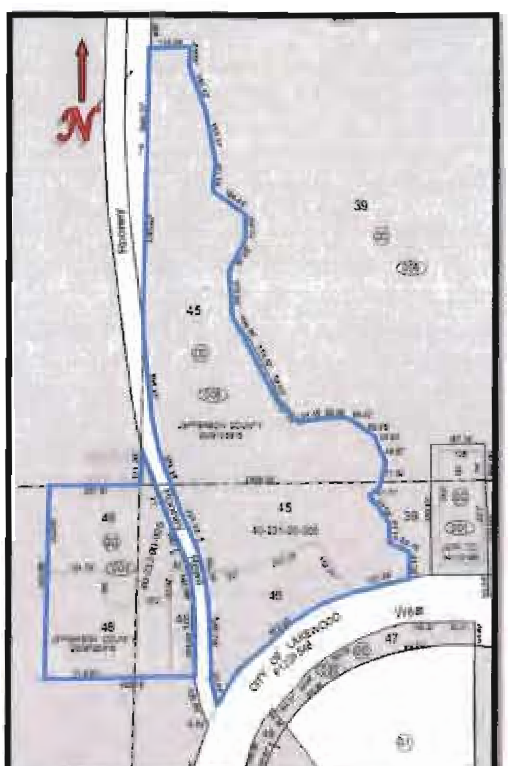
Address/Location:	East of Horizon Drive at the east end of Commerce Court	**View:**	Northeast from Commerce Ct.
		Photos By:	Bonnie D. Roerig, MAI
Date of Sale:	Dec-05	**Date Inspected:**	5/24/2011
Selling Price:	$1,036,000	**Zoning:**	DR (Developing Resource)
Land Area-Acres:	39.62	**Reception Number:**	2748282
Selling Price/SF:	$0.60	**Use at time of sale:**	Vacant land
Grantor:	Dorothy Stephenson Lind, Roswell F. Taylor, Jr. and Dorothy L. Stephenson	**Grantee:**	City of Lafayette
		Confirmed with:	Jan Burns, RE Division Mgr. Boulder Co. Parks & Open Space Department
Comments:	Joint County and municipal open space. Boulder County has right of first refusal to purchase all or any portion of the City's 40± acres.	**Date Confirmed:**	5/27/2011

Sale No. 6

Address/Location:	3495 McCaslin Boulevard Superior	**View:**	Northwest
		Photos By:	Bonnie D. Roerig, MAI
Date of Sale:	Jan-07	**Date Inspected:**	5/24/2011
Selling Price:	$7,600,000	**Zoning:**	A
Land Area-Acres:	155.71	**Reception Number:**	2833331
Selling Price/SF:	$1.12	**Use at time of sale:**	Vacant land
Grantor:	Richard J. Verhey and Jenette M. Verhey	**Grantee:**	Boulder County
		Confirmed with:	Jan Burns, RE Division Mgr. Boulder County Parks and Open Space Department
		Date Confirmed:	5/27/2011

Sale No. 7

Address/Location:	1540 S. Rooney Road, north side of Alameda Parkway and both sides of Rooney Road	**View:**	Southeast, northwest
		Photos By:	Bonnie D. Roerig, MAI
Date of Sale:	Jan-07	**Date Inspected:**	5/24/2011
Selling Price:	$1,400,967	**Zoning:**	CD-RM, Medium Scale Retail
Land Area-Acres:	19.01	**Reception Number:**	125314
Selling Price/SF:	$1.69	**Use at time of sale:**	Vacant land
Grantor:	Three Dinos, LLC	**Grantee:**	Jefferson County
Comments:	Portion west of Rooney Road is steeply sloping upward to the west. A vacant single family home is located on the east parcel.		



The sales as a group are summarized below. For reasons discussed further in this section, Sales 5A/5B were viewed as secondary information and were not analyzed or adjusted in detail.

Range in Date of Sale:	December 2005 through May 2010
Purchasing Entities:	All of the sales were to either a municipality or county.
Zoning:	All of the sales were zoned agricultural except Nos. 5A, 5B, and 7. A number of the sale properties were situated in defined open space areas, according to Boulder County's Comprehensive Plan.
Range in Size:	Just over 19 acres to slightly more than 205 acres, all larger than the subject parcel. The primary sales were from 19.012 acres to 161.39 acres.
Price Range:	\$0.58 to \$1.69 per square foot, after deduction of water value, discussed below. Excluding Sales 5A/5B, the sales ranged from \$0.72 to \$1.69 per square foot.
Project Influence:	None of the sales was affected by the US 36 project.

There was a tendency for the earlier sales, Nos. 2, 3, and 6, to sell for higher square–foot prices than the later sales, Nos. 1, 4 and 7, after other adjustments were made to Sales 3, 6, and 7 as discussed individually below. The primary sales arrayed by date of sale are shown in the following summary:

Sale No.	Ind. SF Value	Date of Sale
6	\$1.06	Jan-07
3	\$0.90	Apr-08
2	\$0.98	Oct-08
4	\$0.79	Sep-09
7	\$0.93	Dec-09
1	\$0.80	May-10

By pairing the earlier sales with the later sales, downward adjustments of approximately 15% were indicated for Sales 2 and 3 and nearly 25% was indicated for Sale No. 6. Adjustments of a somewhat lower magnitude were applied to these sales and market conditions were reconsidered in the reconciliation process.

The sales did not initially develop a clear trend based on size or specific location, although after adjustment for market conditions, location, zoning and conditions of sale, a distinct difference based on size was indicated. This is shown on the following page (data arrayed by parcel size):

Sale No.	Ind. SF Value	Ac. Area
7	$0.93	19.012
1	$0.80	78.665
4	$0.79	141.997
6	$0.84	155.710
3	$0.83	155.778
2	$0.88	161.390

As the subject is closest in size to Sale No. 7 (although still smaller), and substantially smaller than all of the other sales, the larger sales were adjusted upward for size as developed by this comparison. There is an average of approximately 12% difference in the indicated square foot values based on property size. The four larger sales were adjusted upward by this amount. Sale No. 1, falling between the larger sales and No. 7, the smallest sale, was adjusted upward by 10% for size.

Our understanding from sale confirmation is that these properties were purchased based on an appraisal; the decision to proceed with the acquisition is often reflective of funding availability and priorities. Factors affecting the individual sales are discussed in detail below. Boulder County and/or local municipalities purchased the first six properties, Jefferson County purchased the last sale which, as discussed below, was included for informational purposes only.

Following discussion of the sales are brief details regarding an open space acquisition in Boulder County of a 756.6–acre parcel in April 2011 located near Sale No. 3. This sale was purchased for a net land price of $0.58 per square foot and was relied upon for additional information due to its dissimilar size to the subject property.

Sale No. 1 is located at the southeast corner of N. 95th Street and Vermillion Road adjacent to the western boundary of the PUMA 66 Open Space in Longmont. Boulder County purchased this 78.665–acre parcel on May 14, 2010 for $3,000,000 plus a $30,000 option payment paid by the County in 2009 to hold its option until 2010; this additional amount was not applied to purchase price.

The purchase included one share of the capital stock of the Rough and Ready Irrigating Ditch Company. Water rights were valued at $27,975; land thus equals $2,752,025 or $0.80 per square foot.

Two development rights were acquired by the County, although this property is located within the Longmont Planning Area and could have been annexed for much higher density development. Five TDR certificates were created at closing, four from the land and one bonus unit for the water rights and are being held by the County for future sale, or they could be converted to TDC certificates and sold in that program. The property is in winter wheat, but there is no written lease on the property.

The property was designated Significant Agricultural Lands of National Importance, except for a small area in the southwest portion of the property that is Agricultural Lands of Statewide Importance.

Sale No. 1 is informative as to the value of the subject property at approximately $0.88 per square foot, as it is the most recent comparable open space purchase available.

Sale No. 2 is the Puma 66 open space parcel consisting of 161.39 acres located on the south side of Vermillion Road one–half mile west of Highway 287. The Rough and Ready Irrigating Ditch runs north–south through the western portion of the property leading to Terry Lake and divides the larger irrigated portion of the property to the west from the smaller dryland portion of the property to the east.

This purchase by Boulder and Longmont closed October 14, 2008 for $7,400,000 (Longmont's part was $2,000,000) which included water rights value, not broken out separately in the purchase price. The water was valued at approximately $500,000, leaving land value at $6,900,000 or $0.98 per square foot. The property was approved for annexation to Longmont in July 2007 and could have been developed with approximately 130 homes.

The purchase included cross–conservation easements between Boulder County and Longmont. The County acquired 1.25 shares of Rough and Ready Irrigating Ditch Company that will be tied to County's parcel in the conservation easement granted to Longmont. Longmont also acquired 1.25 shares, tied to its parcel by the conservation easement granted to the county.

Twelve transferrable development rights (TDRs) were created, nine from the land plus three bonus TDRs for the water rights, currently valued at $80,000 each. These are being held by the County and their future sale would reduce the County's purchase price by at least $960,000.

The sellers retained approximately 100 acres south of and adjacent to the sale parcel. The County signed a Covenant at closing acknowledging that the Seller is annexing its adjacent property to the south into the City of Longmont and agreeing that the County will not oppose development of the seller's adjacent property and that the County will maintain the property it purchased in a reasonably safe and aesthetically pleasing condition.

The majority of the sale property is designated Significant Agricultural Lands of National Importance, except for a small area in the northeast portion of the property that is Agricultural Lands of Statewide Importance. There is a verbal year–to–year lease for agricultural purposes.

Boulder County agreed to convey a floodwater easement to Longmont on that portion of the County's Parcel that Longmont's flood berm could cause to be submerged in a flood event, likely to be all of the land located west of the Rough and Ready Ditch. The floodwater easement would only allow for the use of the land for flood water purposes and would not allow any structures or alteration of the land.

There are two existing underground pipeline easements that run across the northern property boundary: a water pipeline easement granted to the Northern Colorado Water Conservancy District, and a gas pipeline easement granted to Public Service Company.

There is existing access from Vermillion Road on a farm road that runs north–south through the eastern portion of the property. There is also a dirt road that runs south from Vermillion Road on the east side of the Rough and Ready Ditch for access to the dryland portion of the property located east of the ditch.

The sale parcel consists of gently rolling grassland. The property is roughly square in shape and situated adjacent to The Farm at Woodridge single family residential development. This gated subdivision provides for 27 one–acre and larger lots with asking prices from $140,000 to $197,400. Several homes have been developed in the subdivision to date.

Sale No. 2, adjusted downward for market conditions and upward for smaller size, indicated $0.99 per square foot.

Sale No. 3 consists of a total land area of 155.778 acres located at the southeast corner of N. 63rd and Prospect Road in Longmont. Boulder County purchased the fee interest in the property and the City of Boulder purchased a conservation easement interest from the County. This property is designated critical wildlife habitat under the Boulder County Comprehensive Plan. The closing date was April 17, 2008.

The property included 153.033 acres in fee interest, 1.756 acres, Lot 2 in fee (could be sold later) plus 0.989 acres in Lot 1 in conservation easement. The County sold a house on Prospect Road back to AHI on a 0.989–acre lot at the closing for which AHI paid $220,000. This price apparently included a development right. The house was sold subject to a conservation easement. The County received approval to create a second lot of approximately 1.75 acres around a house located along N. 63rd Street which might be sold off at a future date.

Water rights acquired included 80 shares of Left Hand Ditch Company and an 80/80 interest in New Table Mountain Ditch. The City and County shared the 80 shares of Left Hand Ditch equally; the City's 40 shares are tied to the property under the conservation easement. The City and County each own an undivided 50% of the New Table Mountain shares. Water Value was $320,000. Land value (net to county) is $0.72 per square foot. All of the water rights are tied to the property by a Restrictive Covenant entered into with the seller.

There were four development rights acquired, one of which was sold back to AHI, the seller, along with the Prospect Road House. A total of seven TDRs created at closing will be held by the County for future sale. The County is entitled to keep the proceeds from any sale of the TDRs to help cover the County's costs for demolishing the turkey barns and restoring the property. There were 31 agricultural buildings on the property, of which 28 were turkey barns. In February and March 2009, the County had 25 of the turkey barns removed from the property.

Our understanding is that the TDRs influenced the land purchase price downward, for which it is appropriate to make an upward adjustment. Based on the indications of value from the other sales that were adjusted, it appears that the adjustment is between +25% and +30%. We applied +25%. After additional adjustments for market conditions and parcel size, Sale No. 3 indicated $0.93 per square foot for the subject property.

Sale No. 4 occurred on September 30, 2009, making it one of the two most recent transactions available for analysis. The property is generally located at the southwest corner of Highway 7 (Baseline Road) and the east Boulder County line. The parcel is referred to as the Mountainview Egg Farm property after the name of the selling entity. The sale consisted of 141.997 acres of land with one decreed commercial water well, four producing wells and two tank batteries located on the property. The total price was $5,250,000, comprised of a joint purchase with City of Lafayette (40%). Boulder County acquired 60%. The City wishes to increase their ownership interest in the property over time.

Water rights were valued at $340,000, which leaves net land value at $4,910,000 or $0.79 per square foot of land area. Improvements included five chicken barns totaling approximately 100,000 square feet. Boulder and Lafayette have agreed to share in the cost of removing the barns subject to funding.

The City and County exchanged reciprocal conservation easements over each other's properties. When Lafayette pays the additional $1,000,000 to Boulder County, the easements will be amended to reflect the change in ownership. The purchase included four development rights. The property was bought subject to a grazing lease that has a 60–day termination clause. The land was designated Proposed Open Space and Significant Agricultural Land of Local Importance under the Boulder County Comprehensive Plan.

Sale No. 4 was adjusted for site size differences, resulting in $0.93 per square foot as the indicated value for the property being appraised.

Sale 5A/5B consists of a total of 205.388 acres in two consecutive transactions that closed on December 9, 2005. The property is located generally east of Lafayette at 120th Street and South Boulder Road. These parcels are joint County and Municipal Open Space with a substantial floodplain/floodway crossing through Sale 5A. This is the confluence of Rock Creek and Coal Creek, at the westerly end of this 165.768–acre parcel.

The City and County jointly purchased 165.768 acres **(Sale 5A)**, plus the City of Lafayette purchased an additional 40 acres, (**Sale 5B**) over which the County has a first right of refusal. The seller was paid

$5,218,091.20, which includes $1,036,000 paid by Lafayette for the 40 acres they purchased alone. The County's share was $2,091,045.60. The purchase price was calculated at $25,900/acre for the 158.768 acres that were already annexed to Lafayette, and $10,000/acre for the seven acres that were not annexed. On a melded basis, this purchase equals $0.58 per square foot for the total 205–plus acres comprising both sales.

There are five oil and gas wells on the property under two leases that were executed in 1986 and 1991. The sellers will receive the royalties from the oil and gas wells for a period of 10 years following closing.

The City and County exchanged reciprocal conservation easements over their 50% undivided interests in the 165.768 acres. The unannexed seven acres are shown as proposed open space on the County Open Space map and some portion is designated agricultural lands of local importance. The annexed 198.768 acres do not have designations under the County comprehensive plan. The County has a right of first refusal to purchase all or any portion of the City's 40–acre parcel.

This purchase included a 40–foot wide easement across the Mountainview Egg Farms property to the north for vehicles, livestock, bicycles and pedestrian traffic, from State Highway 7 south to the sale property.

Sales 5A/5B were not analyzed and adjusted in detail for this assignment, as the transaction is nearly seven years old and the total area is substantially larger than the subject property. It is important to be aware of this sale, however, particularly in the context of analyzing and supporting market conditions trends as they pertain to open space acquisitions.

Sale No. 6 is located on the west side of McCaslin Boulevard between Highway 128 and Coalton Drive, surrounded on three sides by Boulder County Open Space. There is a church holding to the north and private property to the east. A small portion of Superior abuts the northeast property line along McCaslin Boulevard. Boulder County purchased the fee simple interest on January 25, 2007. At a simultaneous closing the City of Boulder and the Town of Superior purchased a conservation easement from the County. Other than a water well which supplied water to the house, no water rights were acquired. The County's share of the total $7,600,000 purchase price was $3,800,000; the City's share was $1,900,000 for the conservation easement. The price was confirmed to consist entirely of land value at $1.12 per square foot. The property was annexed to the Town of Superior and had the likely potential for urban level development. There were no TDRs involved with this purchase.

There is one house on the property. Other structures include a metal barn, a manufactured house and several storage sheds. The seller was granted the right to continue to live on the property for one year from the date of closing.

Prior to its annexation, Sale No. 6 was designated as part of the Boulder Mountain Park/South Boulder Conservation Area and Proposed County Open Space. A portion of the property along McCaslin Boulevard is designated a Conceptual Trail Corridor under the current Comprehensive Plan.

Sale 6 is the oldest sale in the group, for which a downward adjustment was made. A further downward adjustment was made for purchaser motivation, as the County was desirous of completing this acquisition to further solidify its open space holdings in this area. An upward adjustment was made for larger size, as discussed. These adjustments resulted in an indication of value of $0.94 per square foot for the subject land.

Sale No. 7 is the only sale not located in Boulder County. It consists of 19.01 acres along the east and west sides of Rooney Road north of W. Alameda Parkway near Dinosaur Ridge. This property was acquired in January 2007 by Jefferson County for $1.69 per square foot. The land includes steeply sloping ridges in its westerly portion and more level and gentle slopes to the east. The sale also included a single family home, now vacant. The property is zoned CD–RM, Medium Scale Retail, by Jefferson County. As one of the three 2009 and 2010 sales, No. 7 was not adjusted for market conditions. It was adjusted downward for its superior zoning, providing for medium scale retail economic development and it was also adjusted downward for superior locational characteristics. With these considerations, Sale No. 7 indicated $0.93 per square foot for the subject.

For information, the adjustments to the sales discussed in the preceding paragraphs are quantified in the tabulation below:

Summary of Adjustments						
SALE NO.:	1	2	3	4	6	7
$/SF	$0.80	$0.98	$0.72	$0.79	$1.12	$1.69
ELEMENTS OF COMPARISON						
1. Property rights conveyed	0%	0%	0%	0%	0%	0%
2. Financing	0%	0%	0%	0%	0%	0%
3. Conditions of sale	0%	0%	25%	0%	-5%	0%
4. Market conditions	0.0%	-10.0%	-10.0%	0.0%	-20.0%	0.0%
Adjusted Selling Price	$0.80	$0.88	$0.83	$0.79	$0.84	$1.69
5. Location	0%	0%	0%	0%	0%	-15%
6. Physical characteristics						
Size/land area	10%	12%	12%	12%	12%	0%
Zoning	0%	0%	0%	0%	0%	-30%
7. Other factors	0%	0%	0%	0%	0%	0%
Net % Adjustment:	10.0%	12.0%	12.0%	12.0%	12.0%	-45.0%
Net $ Adjustment:	$0.08	$0.11	$0.10	$0.09	$0.10	-$0.76
Indication for Subject:	**$0.88**	**$0.99**	**$0.93**	**$0.88**	**$0.94**	**$0.93**

For information, all six sales after adjustment averaged $0.93 per square foot, ranging from $0.88 to $0.94 per square foot. As discussed earlier in this section, it is appropriate to revisit the market conditions adjustments made to Sales 2, 3, and 6. Arrayed by date of sale, after adjustment, the following resulted:

Sale No.	Ind. SF Value	Date of Sale
6	$0.94	Jan-07
3	$0.93	Apr-08
2	$0.99	Oct-08
4	$0.88	Sep-09
7	$0.93	Dec-09
1	$0.88	May-10

On this basis, it appears that the market conditions adjustment was slightly understated (approximately 5% on average) and that it is appropriate to place greater weight on the more recent sales, Nos. 1, 4, and 7. These sales indicated $0.88 and $0.93 per square foot, averaging $0.90 per square foot.

After consideration of all the sales data and analysis completed in this report, we concluded a final value for the property of $0.90 per square foot. This estimate develops the following total parcel value.

Larger Parcel Land Value				
204,062	SF @	$0.90	/SF =	$183,656
		Rounded to:		$183,655

PART 4 – FACTUAL DATA – PART TAKEN

Identification of the Part Taken

Land Taking

The area to be acquired, shown on various exhibits with this report as "Parcel 8B" consists of a linear strip of land extending along the existing right of way line of US Highway 36, 41,589 square feet in size. The dimension of the taking parcel at the east property line is 41.46 feet. The angled west end is 33.30 feet to the point where the property line meets the Dyer Road right of way. The parcel then extends along Dyer 47.55 feet to the north line of the taking parcel which is a total of 1,085.75 feet in length. The south line is 1,125.16 feet long.

The parcel to be acquired is legally described in the addenda and copies of the easement exhibit are also provided there.

Permanent Easement Taking

None.

Improvements Taking

None; the perimeter fencing along the existing right of way line is property of CDOT and will be replaced with a similar fence as part of the project, connecting with the remaining perimeter fencing belonging to the ownership.

PART 5 – ANALYSIS AND CONCLUSIONS – PART TAKEN

Value of Part Taken as Part of Larger Parcel

Land Value of Part Taken

At the concluded land value developed previously, the value of the fee taking is:

Value of Land Part Taken					
Parcel 8B	41,589	SF @	$0.90	/SF =	$37,430

Owner Improvements Contributory Value of Part Taken

None

Easement Value of Part Taken

None

Summary of Value of Part Taken

The value of the part taken as part of the larger parcel appraised is summarized as follows:

Value of Part Taken						
Lane Value of Part Taken:						
Parcel	Area	Unit Value	Rate (%)	Value	Total Value	
8B	41,589 SF	$0.90/SF		$37,430		
Land Value of Part Taken					$37,430	
Total Value of Part Taken						**$37,430**

PART 6 – RESIDUE VALUE BEFORE TAKE

For purposes of measuring losses or benefits to the residue, it is necessary to compute the residue value before the taking. The residue value before take is a mathematical step that is simply the value of the larger parcel (land plus affected improvements) minus the value of the part taken, including fee takings, easements and affected improvements, but excluding any temporary easements. This is shown below:

Larger Parcel Value Before Take:	$183,655
Land Acquisition:	$37,430
Remainder Land Value Before the Taking:	$146,225

This is the value level that should be reflected in the residue parcel, if there are no damages or benefits resulting from the taking. If the residue value is less than this sum, the residue has been damaged to that extent; if the residue value is greater than this amount, the residue has benefited. The value of the residue property after the taking is addressed in the next section.

Summary of Residue Value Before Take

Residue Value Before Take		
Larger Parcel Value Before Take	$183,655	
Less: Value of Part Taken	$37,430	
Residue Value Before Take		**$146,225**

PART 7 – FACTUAL DATA – RESIDUE AFTER TAKE

According to the CDOT US 36 Express Lanes/Bus Rapid Transit Project web site, US 36 between Denver and Boulder opened as a toll road in 1951. The toll road bonds were paid off early and the tolling infrastructure was removed in 1968. When it was built, this four lane road had only one interchange between Denver and Boulder. In response to rapid population growth, there are now 10 interchanges along US 36 between I–25 and Boulder. However, the number of main through–lanes has remained at four.

In December on 2009, the Colorado Department of Transportation completed an Environmental Impact Statement which described Preferred Alternative improvements to the corridor which would be implemented in the future as funding became available. The main elements in the Preferred Alternative include one buffer–separated managed lane in each direction, Bus Rapid Transit (BRT) ramp stations, auxiliary lanes between most interchanges, and a bikeway.

These two projects will be the first steps in implementing improvements described in the US 36 Environmental Impact Statement.

The subject acquisition property is required for improvements to be constructed by CDOT in conjunction with the Managed Lane project along US Highway 36 between Denver and Boulder. The land is needed for toe of slope/top of cut for lateral/adjacent support for the highway and appurtenances.

The remainder property will be unaffected except for its smaller size by approximately 20.4%. The residue will continue in its open space/natural use.

PART 8 – ANALYSIS AND VALUATION – RESIDUE AFTER TAKE

See the larger parcel description and analysis before the take for a more detailed discussion of highest and best use. The remainder site size will be reduced by 20.4% to 162,473 square feet or 3.73 acres. The residue will be unaffected by the acquisition and will remain available for open space use after the easement acquisition. From the standpoint of the nature of the property, the project improvements will not result in diminution to the remainder property.

The residue value after the acquisition is at least at the level it was before the taking. There is no support for possible benefits and none are anticipated.

Thus, the value of the residue after the taking is as shown below (note that the residue value reflects a very slight difference from the mathematical residue value before the acquisition due to rounding). Rounded figures are also shown.

Residue Land Value-After		
162,473 SF @	$0.90 /SF =	$146,226
	Conclude:	$146,225

Reconciliation – Residue Value After Take

Residue Value After Take		
Land Value – Residue After Take	$146,225	
Improvements Value – Residue After Take		
Residue Value After Take		**$146,225**

PART 9 –ANALYSIS of DAMAGES or BENEFITS

Residue Land Value Before vs. After

When estimating the value of the residue after the taking, we considered first any changes that might have occurred to its highest and best use. The optimum use of the land continues to be for open space purposes. On this basis, there is no support for any losses in value due to the project.

Study of the project has led us to the conclusion that it will not create a source of negative impacts to either the neighborhood generally, or to the subject property. We found no market–derived basis upon which to measure enhanced value of the remainder at this time. We have been unable to measure specific or special benefits that will inure to the subject property by virtue of the project.

Residue Value Before Take		
Larger Parcel Value Before Take	$183,655	
Less: Value of Part Taken	$37,430	
Residue Value Before Take		**$146,225**

Residue Value After Take		
Site Value – Residue After Take	**$146,225**	
Improvements Value – Residue After Take		
Residue Value After Take		**$146,225**

Indicated Compensable Damages to Residue After Take	**$–0–**

Indicated Specific Benefits to Residue After Take	**$–0–**

Compensable Damages — Curable (Net Cost to Cure)

None. The project is committed to replacement of fencing along the new right of way for US Highway 36 and it is expected that this will include connections with the remainder of the fencing around the residue land.

PART 10 – COMPENSATION SUMMARY

Explanation of Compensation

The elements of compensation concluded in this appraisal consisted of the land to be acquired, as summarized below.

Compensation Estimate Summary

Value of Part Taken		
Land Value of Part Taken	$37,430	
Easement Value of Part Taken		
Owner Improvements Contributory Value of Part Taken		
Tenant Improvements Contributory Value of Part Taken		
Total Value of Part Taken, rd.		**$37,430**
Compensable Damages and/or Offsetting Special Benefits		
Compensable Damages/Curable/Net Cost to Cure		
Compensable Damages/Incurable (No Cost to Cure)		
<Less> Special Benefits (offset up to 100% of incurable damage)		
= Remaining Special Benefits (offset up to 50% value part taken)		
Total Rental Value of Temporary Easement		
Compensation Estimate		**$37,430**

EXHIBITS and ADDENDA

Acronyms and Definitions

__Acronyms__

Following are certain acronyms and definitions of significant terms used in this appraisal report. Sources and authorities for the following definitions are shown as text–notes.

AC – acre

CDOT – Colorado Dept. of Transportation

PSF or SF – per square foot; square foot

ROW or R.O.W. – Right of Way

__Definitions__

Benefits (Specific Benefits) – "...any benefits to the residue are to be measured by the increase, if any, in the reasonable market value of the residue due to the (construction) (improvement) of the (...proposed improvement). For anything to constitute a specific benefit, however, it must result directly in a benefit to the residue and be peculiar to it. Any benefits which may result to the residue but which are shared in common with the community at large are not to be considered." (CJI–Civ. 4^{th}, 36:4)

Compensation – "...ascertain the reasonable market value of the property actually taken and the amount of compensable damages, if any, and amount and value of any specific benefit, if any, to the residue of any land not taken." (CJI–Civ. 4^{th}, 36:1)

"(a) For highway acquisition, the right to compensation and the amount thereof, including damages and benefits, if any, shall be determined as of the date the petitioner is authorized by agreement, stipulation, or court order to take possession or the date of trial or hearing to assess compensation, whichever is earlier, but any amount of compensation determined initially shall remain subject to adjustment for one year after the date of the initial determination to provide for additional damages or benefits not reasonably foreseeable at the time of the initial determination. (b) If an entire tract or parcel of property is condemned, the amount of compensation to be awarded is the reasonable market value of the said property on the date of valuation. (c) If only a portion of a tract or parcel of land is taken, the damages and special benefits, if any, to the residue of said property shall be determined. When determining damages and special benefits, the appraiser shall take into account a proper discount when the damages and special benefits are forecast beyond one year from the date of appraisal. (d) In determining the amount of compensation to be paid for such a partial taking, the compensation for the property taken and damages to the residue of said property shall be reduced by the amount of any special benefits which result from the improvement or project, but not to exceed fifty percent of the total amount of compensation to be paid for the property actually taken." (§ 38–1–114(2), C.R.S.)

Damages – "...Any damages are to be measured by the decrease, if any, in the reasonable market value of the residue, that is, the difference between the reasonable market value of the residue before the property actually taken is acquired and the reasonable market value of the residue after the property actually taken has been acquired. Any damages which may result to the residue from what is expected to be done on land other than the land actually taken from the respondent and any damages to the residue which are shared in common with the community at large are not to be considered." (CJI–Civ. 4^{th}, 36:4)

Easement – "An easement can generally be described as an interest in land of another entitling the owner of that interest to a limited use of the land in which it exists, or a right to preclude specified uses

in the easement area by others. An easement is an interest less than the fee estate, with the landowner retaining full dominion over the realty subject only to the easement; the landowner may make any use of the realty that does not interfere with the easement holder's reasonable use of the easement and is not specifically excluded by the terms of the easement." (Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, Washington, D.C., 2000, p.63)

Fee Simple Estate (Title) – "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat." (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Chicago, 2010, p. 78) **Note:** as an assignment condition all mineral rights are excepted from any fee simple property interest appraised in this report.

Larger Parcel – "That tract, or those tracts, of land which possess a unity of ownership and have the same, or an integrated, highest and best use. Elements of consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use." (Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, Washington, D.C., 2000, p. 17)

Part Taken (Partial Taking) – "The taking of part of any real property interest for public use under the power of eminent domain; requires the payment of compensation." (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Chicago, 2010, p. 143)

Residue (Residue) – "'Residue' means that portion of any property which is not taken but which belongs to the respondent, ..., and which has been used by, or is capable of being used by, the respondent, together with the property actually taken, as one economic unit." (CJI–Civ. 4^{th}, 36:4)

Restoration Cost to Cure (Cost to Cure) – "In certain circumstances, damage to the residue may be cured by remedial action taken by the owner. The cost to cure, however, is a proper measure of damage only when it is no greater in amount than the decrease in the market value of the residue if left as it stood. When the cost to cure is less than the severance damages if the cure were not undertaken, the cost to cure is the proper measure of damage, and the government is not obligated to pay in excess of that amount." (Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, Washington, D.C., 2000, p. 51)

Slope Easement – "A 'slope easement' is an easement reserved to the condemnor to use whatever portion of the property is needed to provide lateral support for a roadbed, and those surface rights to property which are not required for lateral support are retained by landowner for any usage which does not interfere with condemnor's slope easement." (State Dept. of Highways v. Woolley, 696 P.2d 828, Colo. App. 1984)

Temporary Easement – "An easement granted for a specific purpose and applicable for a specific time period. A construction easement, for example, is terminated after the construction of the improvement and the unencumbered fee interest in the land reverts to the owner." (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Chicago, 2010, p. 195)

Compensation due for a temporary easement is the reasonable rental value for the time the easement is used. (State Dept. of Highways v. Woolley, 696 P.2d 828, Colo. App. 1984)

Colorado 7–Step Partial Take Appraisal Process – Eminent Domain

The purpose of this appraisal was to develop a compensation estimate for the reasonable market value of the property actually taken; compensable damages, if any, to the residue after take; and special benefits, if any, to the residue after take. Referred to as the modified state before–and–after rule, steps to develop a compensation estimate for the acquisition of real property are:

1. Larger Parcel Value Before Take

The first step in the appraisal process is to develop the reasonable market value of the subject larger parcel had there been no taking or any effect on value due to the proposed transportation project. The Jurisdictional Exception Rule of USPAP applies to Standards Rule 1–4(f) in this step. In Standards Rule 1–4(f), anticipated public or private improvements must be analyzed for their effect on value as reflected in market actions. This is contrary to law for eminent domain appraisal. Jurisdictional exception authorities are Uniform Act, Title III, § 301(3); 49 CFR § 24.103(b); § 24–56–117(1)(c), C.R.S.; and CJI – Civ. 4^{th}, 36:3.

"Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, shall be disregarded in determining the compensation for the property." (§24–56–117(1)(c), C.R.S.)

2. Value of Part Taken (including easements acquired)

The second step involves the same USPAP Jurisdictional Exception Rule as in step 1. In this step, the reasonable market value of the land or property actually taken is developed. The value of land taken is based on its value as part of the whole or the larger parcel. Value of improvements taken is based on their contributory value to the larger parcel. (49 CFR § 24.103(a)(2)(iv), §§ 38–1–114(2) and 115(b), C.R.S., and CJI–Civil 4^{th}, 36:3)

3. Residue Value Before Take

The third step is the reasonable market value of the residue before the property actually taken has been acquired. This step sets the initial basis for the ascertainment of damages and/or special benefits to the residue. The reasonable market value of the residue before the take is the mathematical difference of step 1 (larger parcel value before take) minus step 2 (value of part taken).

4. Residue Value After Take (including encumbered easement areas acquired)

The fourth step is to develop the reasonable market value of the residue after the real property actually taken has been acquired and proposed project improvements have been constructed. In this step, the reasonable market value of the residue after the taking is no longer subject to the Jurisdictional Exception Rule to USPAP Standards Rule 1–4(f). Any decrease or increase in the reasonable market value, if any, of the residue after take due to the proposed public project needs analyses. The influence of the proposed public improvement is considered except for any damages or benefits shared in common with the community at large.

The market value of the residue after take is predicated on the "as is" or "uncured" condition of the residue after the acquisition. Any decrease or increase in value of the residue after take is based on market evidence. Damage to the residue must be established before a cost to cure can be considered to mitigate some or all damage. Special benefits may accrue to the residue after take as a result of the project.

5. Analysis of Damages and/or Benefits

6. Fifth step in the process involves analysis of damages and benefits to the residue after the take. Depending upon the extent of damages and cost to cure, performance of another appraisal of the "cured" residue after take may be required (see *Feasibility of Cost to Cure* below). The damages and benefits analyses might include the following elements:

- Indicated Damages and/or Benefits
- Compensable Damages and/or Offsetting Special Benefits
- Compensable Damages – Incurable
- Compensable Damages – Curable (Net Cost to Cure) including:
- Cost to Cure
- Feasibility of Cost to Cure Damages (Possible Re–appraisal of Residue After Cure*)
- Net Cost to Cure
- Indicated Offsetting Special Benefits – Residue Value As Cured

*If damage to the residue is substantial and the cost to cure is not minor, an appraisal of the residue as cured might be necessary to analyze the feasibility of the cure. If the cost to cure is minor, an analysis of the feasibility of the cost to cure damages might not be required.

7. Rental Value of Temporary Easements

Sixth step in the process is the estimate of reasonable rental value for the time the temporary easement is used. A temporary (construction) easement is used for a limited time period and is terminated after the construction of the highway improvements. The unencumbered fee interest in the land reverts to the owner at the time of termination.

8. Estimate of Compensation Summary

The final step is a compensation summary. The compensation summary includes the following:

- Reasonable Market Value – Land and/or Real Property Taken
- Compensable Damages – Curable – Net Cost to Cure (residue after take/as is)
- Compensable Damages – Incurable (residue after take/as is))
- Offsetting Special Benefits (residue after take/"as is" or "as cured")
- Temporary Easements Rental Value
- Total Compensation Estimate

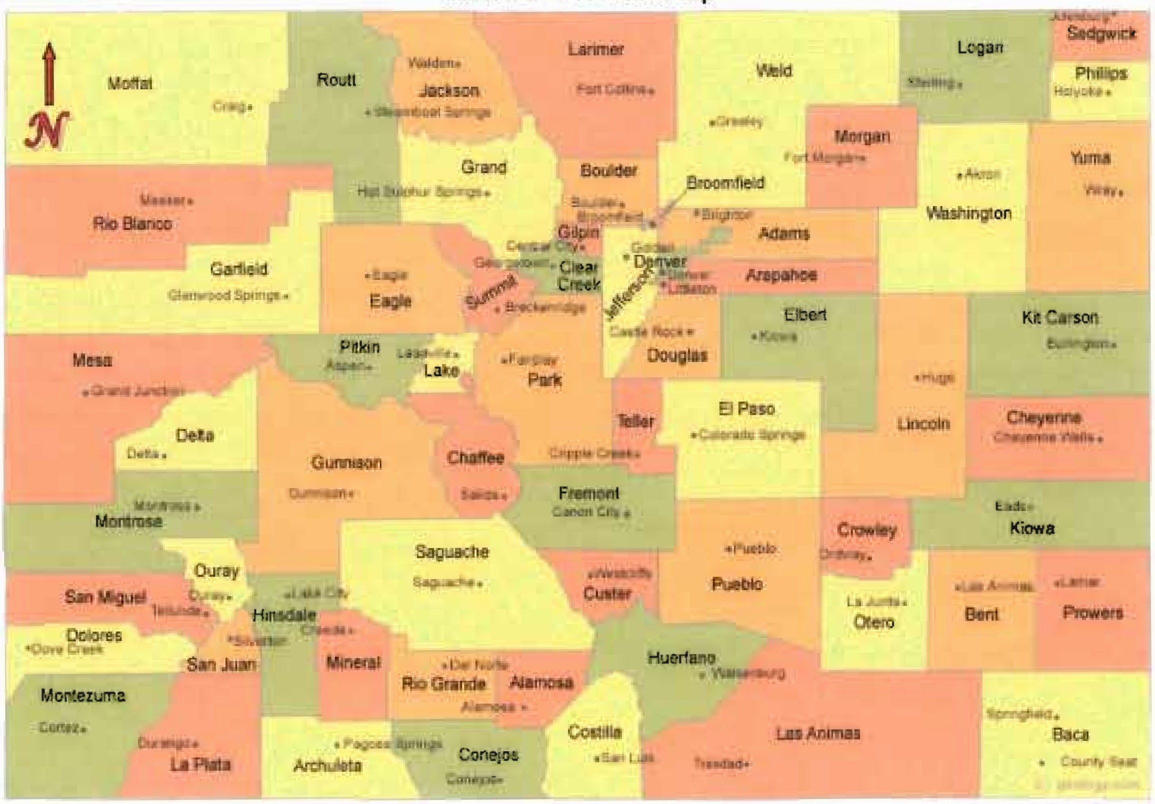
As stated in § 38–1–114(2)(d), C.R.S., "In determining the amount of compensation to be paid for such a partial taking, the compensation for the property taken and damages to the residue of said property shall be reduced by the amount of any special benefits which result from the improvement or project, but not to exceed fifty percent of the total amount of compensation to be paid for the property actually taken."

Overview of Location

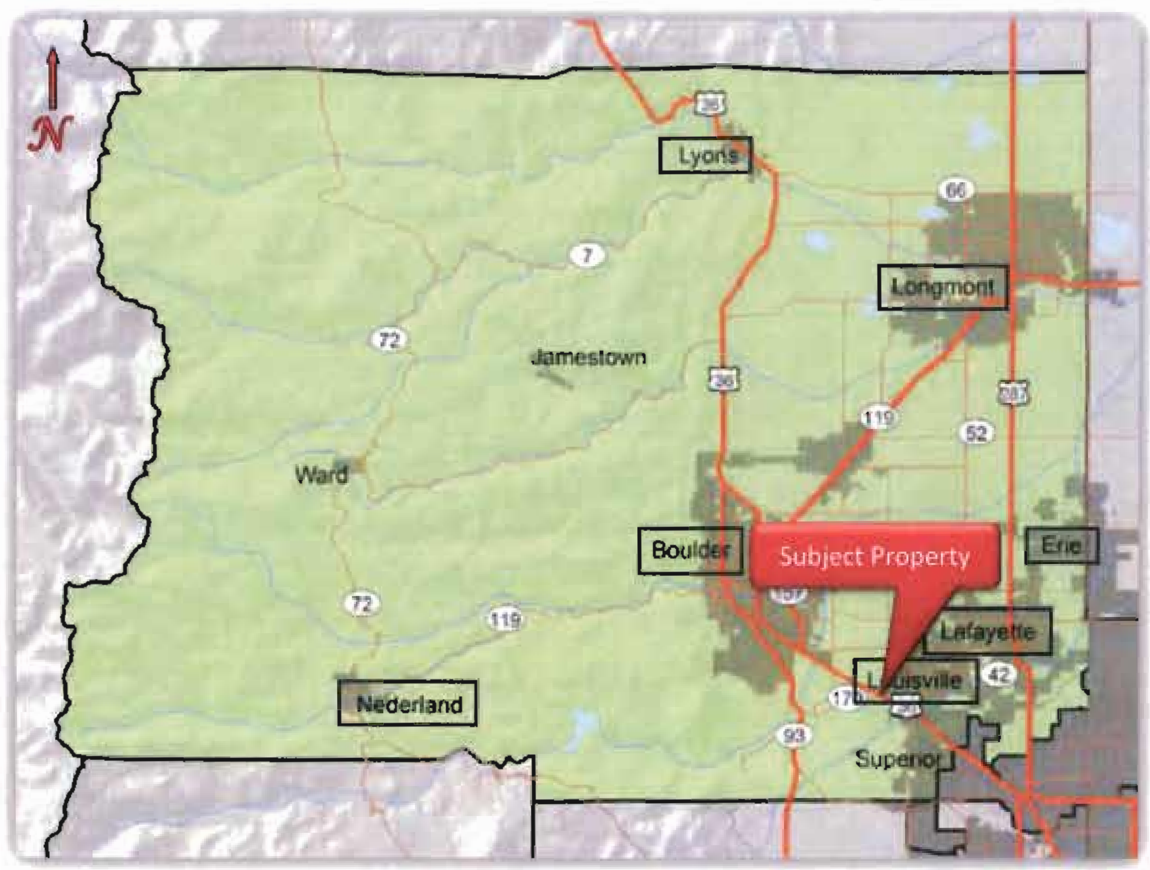
The subject property is located in the City of Louisville, Boulder County on the northeast side of US 36 (the Boulder Turnpike) west of McCaslin Boulevard.

The exact location of the subject property is shown in various locations throughout this report.

Colorado Counties Map

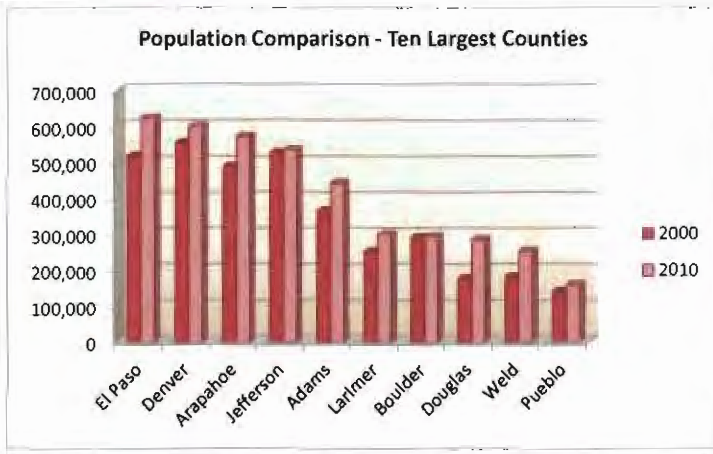


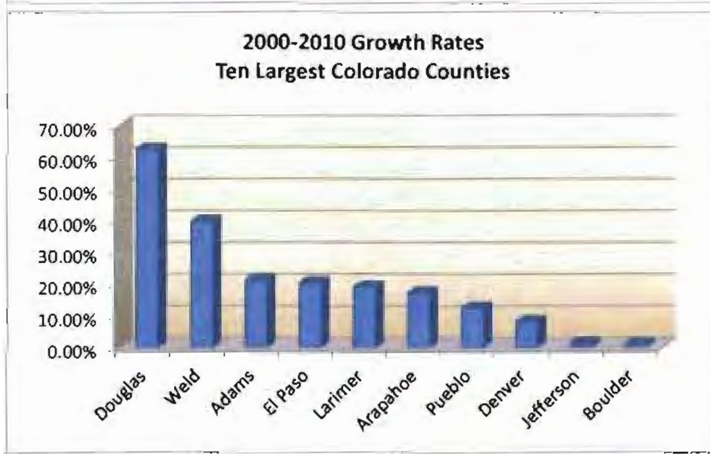
Boulder County



Boulder County ranks 51st in land area of the 64 Colorado counties, with a total of 751.37 square miles, of which 8.91 square miles, or 1.19%, are water. One of the original 17 counties created by the Colorado Territory in 1861, Boulder County was named after Boulder City and Boulder Creek. Its borders remain essentially the same as the original county, except for 27.5 square miles of its southeastern corner which became part of the City and County of Broomfield in 2001. Boulder County is the 7th largest county in population in the state, and of the ten largest, it has had the slowest growth rate from 2000 to 2010, according to census data. If these trends continue, it is likely that Douglas and possible Weld Counties will overtake Boulder by the next census.

County	2000	2010	Increase	% Growth
El Paso	516,929	622,263	105,334	20.38%
Denver	554,636	600,158	45,522	8.21%
Arapahoe	487,967	572,003	84,036	17.22%
Jefferson	527,056	534,543	7,487	1.42%
Adams	363,857	441,603	77,746	21.37%
Larimer	251,494	299,630	48,136	19.14%
Boulder	291,288	294,567	3,279	1.13%
Douglas	175,766	285,465	109,699	62.41%
Weld	180,936	252,825	71,889	39.73%
Pueblo	141,472	159,063	17,591	12.43%



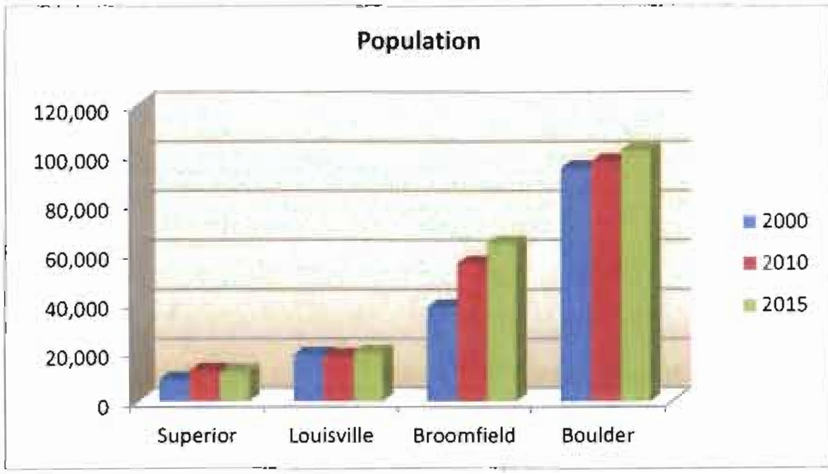


City Populations

The four municipalities in closest proximity to the subject property are Superior, Louisville, Broomfield and Boulder. All except Broomfield are within Boulder County; Broomfield became its own county, the 64^{th} in Colorado, in 2001. The four cities rank in population as shown in the tables on the following page, compared first to other Colorado cities, then to each other.

38 Largest Cities in Colorado		Population		Change, 2000 to 2010	
		2000	2010	Number	Percent
1	Denver	554,636	600,158	45,522	8.21%
2	Colorado Springs	360,890	416,427	55,537	15.39%
3	Aurora	276,393	325,078	48,685	17.61%
4	Fort Collins	118,652	143,986	25,334	21.35%
5	Lakewood	144,126	142,980	-1,146	-0.80%
6	Thornton	82,384	118,772	36,388	44.17%
7	Pueblo	102,121	106,595	4,474	4.38%
8	Arvada	102,153	106,433	4,280	4.19%
9	Westminster	100,940	106,114	5,174	5.13%
10	Centennial	101,377	100,377	-1,000	-0.99%
11	Boulder	94,673	97,385	2,712	2.86%
12	Greeley	76,930	92,889	15,959	20.74%
13	Longmont	71,093	86,270	15,177	21.35%
14	Loveland	50,608	66,859	16,251	32.11%
15	Grand Junction	41,986	58,566	16,580	39.49%
16	Broomfield	38,272	55,889	17,617	46.03%
17	Castle Rock	20,224	48,231	28,007	138.48%
18	Commerce City	20,991	45,913	24,922	118.73%
19	Parker	23,558	45,297	21,739	92.28%
20	Littleton	40,340	41,737	1,397	3.46%
21	Northglenn	31,575	35,789	4,214	13.35%
22	Brighton	20,905	33,352	12,447	59.54%
23	Englewood	31,727	30,255	-1,472	-4.64%
24	Wheat Ridge	32,913	30,166	-2,747	-8.35%
25	Fountain city	15,197	25,846	10,649	70.07%
26	Lafayette city	23,197	24,453	1,256	5.41%
27	Montrose city	12,344	19,132	6,788	54.99%
28	Golden city	17,159	18,867	1,708	9.95%
29	Windsor town	9,896	18,644	8,748	88.40%
30	Evans city	9,514	18,537	9,023	94.84%
31	Louisville city	18,937	18,376	-561	-2.96%
32	Erie town	6,291	18,135	11,844	188.27%
33	Durango city	13,922	16,887	2,965	21.30%
34	Cañon City city	15,431	16,400	969	6.28%
35	Sterling city	11,360	14,777	3,417	30.08%
36	Greenwood Village city	11,035	13,925	2,890	26.19%
37	Fruita city	6,478	12,646	6,168	95.21%
38	Superior town	9,011	12,483	3,472	38.53%

				% Change	
Population	2000	2010	2015	2000-2010	2010-2015
Superior	9,011	12,483	12,141	38.5%	-2.7%
Louisville	18,937	18,376	19,844	-3.0%	8.0%
Broomfield	38,272	55,889	63,959	46.0%	14.4%
Boulder	94,673	97,385	101,673	2.9%	4.4%



It is noteworthy that the two largest cities of the four, Broomfield and Boulder, define the fastest and nearly the slowest growth rates respectively. Radically different political attitudes toward growth and development have marked the two cities for many years and were partly responsible for Broomfield forming its own county out of land within Boulder, Jefferson, Adams and Weld Counties. Other considerations included dealing with four different county seats, court districts and sales tax bases.

Income

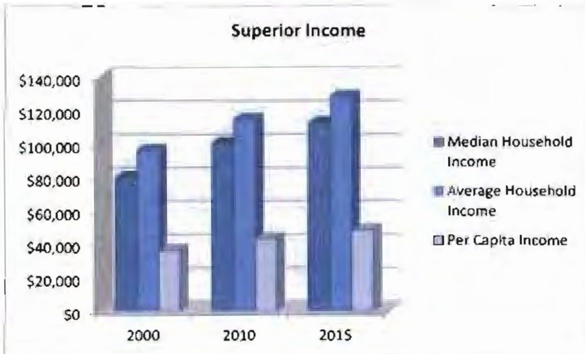
Income data for Superior, Louisville, Broomfield and Boulder (city) are compared below. As of 2010, Superior is the most affluent of the four cities, with Boulder the least overall. In per capita income, Boulder is nearly identical to Broomfield, but considerably lower in average and median household incomes, likely due to a higher percentage of single individual or smaller family households.

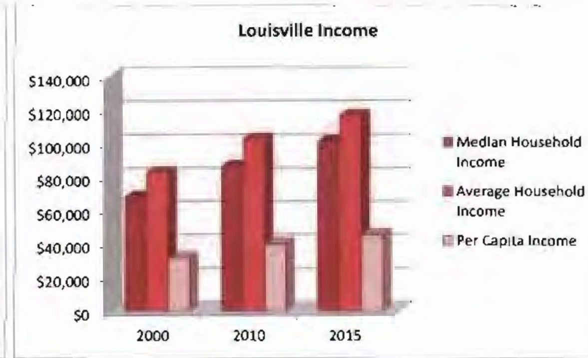
Superior	2000	2010	2015
Median Household Income	$80,074	$100,501	$112,354
Average Household Income	$96,229	$114,506	$128,305
Per Capita Income	$36,326	$43,023	$48,069

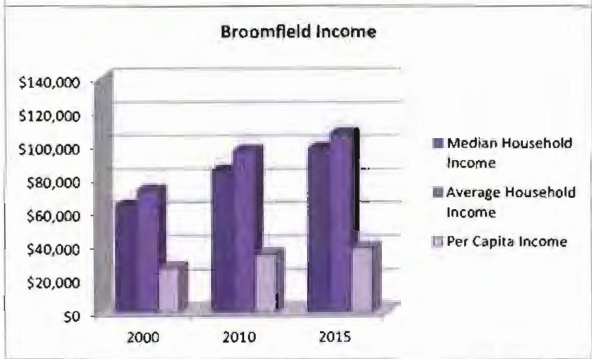
Louisville	2000	2010	2015
Median Household Income	$68,357	$86,431	$101,302
Average Household Income	$82,721	$102,873	$116,950
Per Capita Income	$31,828	$40,006	$45,681

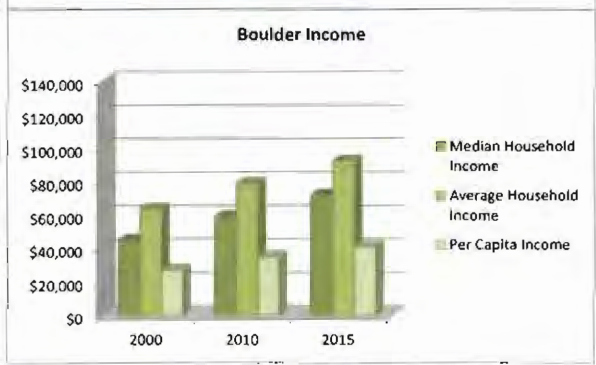
Broomfield	2000	2010	2015
Median Household Income	$63,670	$84,621	$98,042
Average Household Income	$72,850	$96,530	$106,727
Per Capita Income	$26,488	$34,584	$38,267

Boulder	2000	2010	2015
Median Household Income	$44,772	$58,909	$71,790
Average Household Income	$63,542	$78,591	$92,207
Per Capita Income	$27,262	$34,883	$40,988



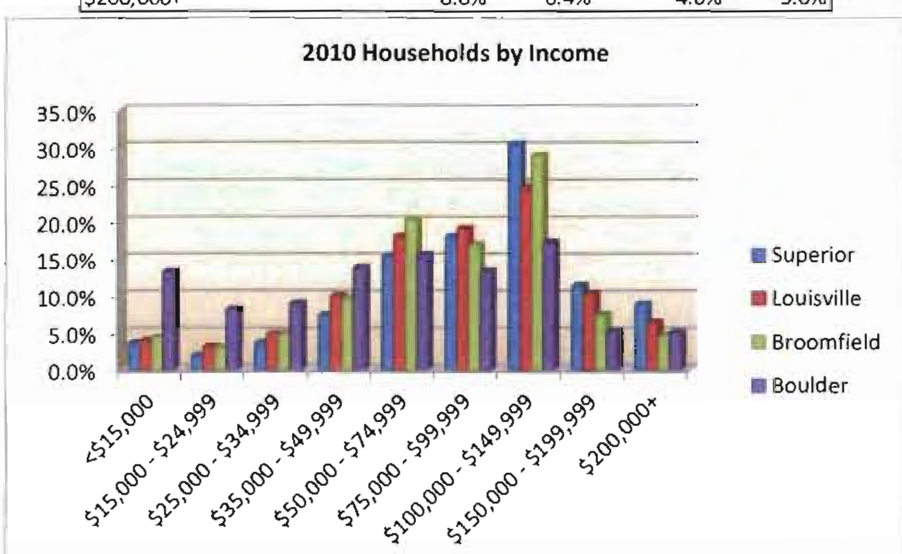






The table and chart below compare the four cities by percentage of households in various income brackets. The relatively high percentages in the lowest four brackets in Boulder are likely due to a large number of students attending the University of Colorado.

2010 Households by Income	Superior	Louisville	Broomfield	Boulder
<$15,000	3.6%	3.9%	4.4%	13.2%
$15,000 - $24,999	1.9%	3.1%	3.0%	8.1%
$25,000 - $34,999	3.6%	4.8%	4.9%	8.9%
$35,000 - $49,999	7.3%	9.9%	9.6%	13.7%
$50,000 - $74,999	15.3%	18.0%	20.3%	15.5%
$75,000 - $99,999	17.9%	19.0%	16.9%	13.3%
$100,000 - $149,999	30.4%	24.6%	28.9%	17.2%
$150,000 - $199,999	11.3%	10.2%	7.4%	5.2%
$200,000+	8.8%	6.4%	4.6%	5.0%



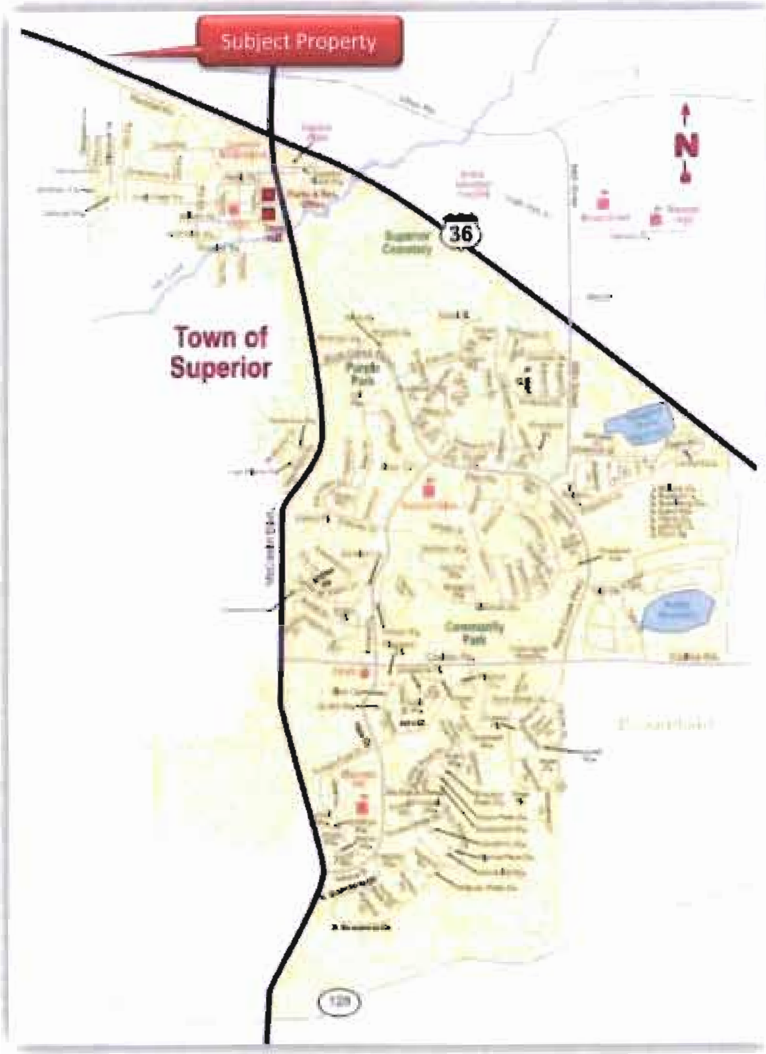
Superior

Founded in 1896 and incorporated in 1904, the present town of Superior has a total area of four square miles. Unlike many Colorado communities whose origins are closely connected with the mining of gold or silver, Superior was developed around coal mining. Indeed, the town was named for the "superior" quality of its coal. The first mines were developed in the late 1800s and remained the major economic activity until the last mine, the Industrial Mine, closed in 1945. Subsequently, the area declined, evolving into a ranching and farming community.

Rock Creek subdivision is the major residential development in Superior, a project of Richmond American Homes. Begun in the 1990s, Rock Creek has at present

- 2,804 single and multi–family homes
- 2 neighborhood schools
- 2 community pools
- 12 playgrounds and 4 major parks
- 27 miles of walking paths
- 594 acres of open space

There are two schools in Superior, Superior Elementary (K–5) and Eldorado K–8, both part of the Boulder Valley School District.



Louisville

Like Superior, the town of Louisville has a close association with the coal mining industry. First settled in 1877 with the opening of the Welch Mine, the first coal mine in the Northern Coalfield (an area of Boulder and Weld Counties), Louisville was incorporated in 1882 and named for Louis Nawatny, who platted his own land and gave his name (pronounced "Lewis–ville" unlike the more famous Kentucky city) to the new town. The period of peak coal production was 1907–1909 with twelve mines operating, including the Acme Mine from which two million tons were extracted from directly beneath the town.

By the 1950s the mines were closed and Louisville made the transition to a suburban residential community. It was so successful that since 2005 the town has been recognized by four publications (*CNN/Money*, *Money* magazine, *Family Circle* and *Best Places to Raise Your Family: The Top 100 Affordable Communities in the U.S.*) as one of the best places to live and raise a family in the U.S.

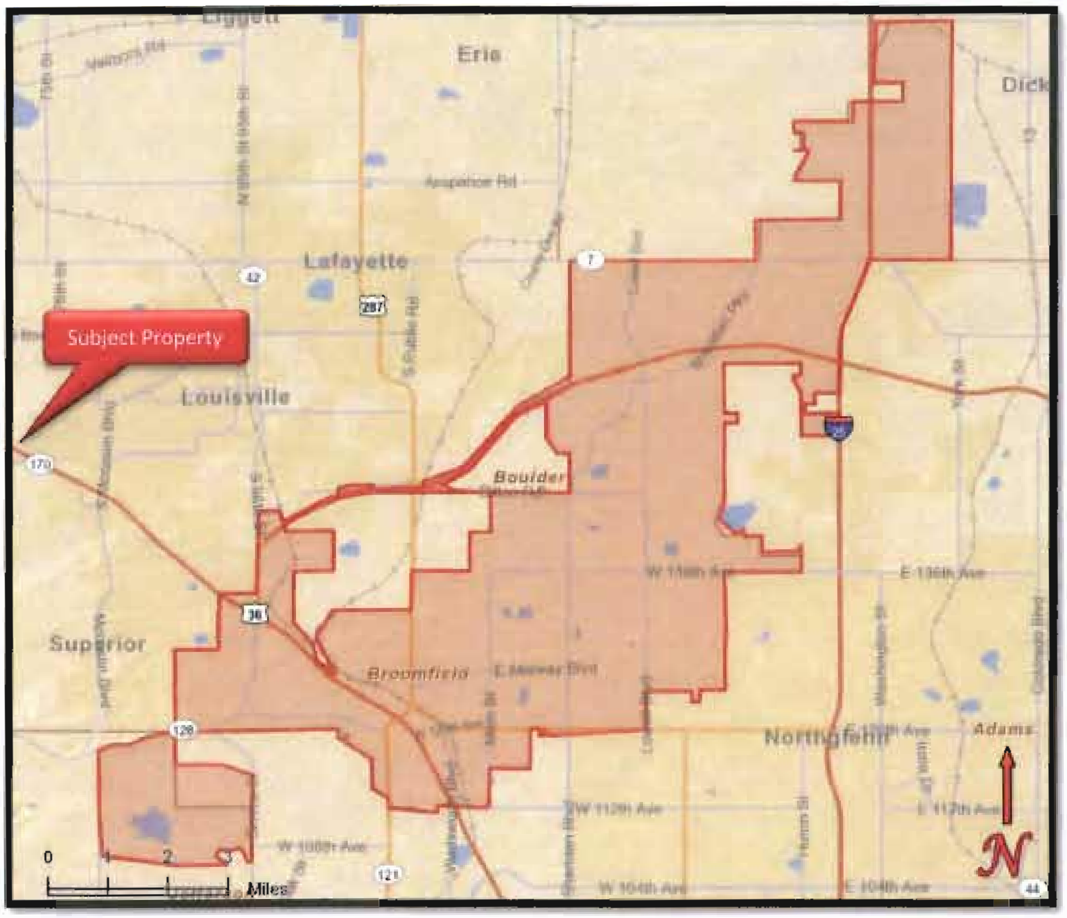
Louisville currently includes 8.6 square miles, 8.5 square miles of which is land and 0.1 square mile is water. The town has 26 city parks, 1,800 acres of open space and 26 miles of trails and bicycle paths, in addition to a $9 million library with one of the highest circulation rates in the state. Louisville is also home to the space technology company, Sierra Nevada Corporation, a prime systems integrator for commercial spacecraft. SNC is the builder of Dream Chaser, one of three commercial spacecraft chosen by NASA to transport astronauts to the International Space Station, with the ending of the Space Shuttle program.

Broomfield

Development of the area that eventually became the city of Broomfield is tied to rail lines laid by the Colorado Central Railroad and the Denver, Utah and Pacific Railroad. The latter laid the first rails in 1881 in the area of what is now the intersection of 120th Avenue and Wadsworth Boulevard. By 1909, 19 passenger trains per day came through Broomfield, prompting construction of a new depot. From 1900 to 1957, the local population was approximately 100, living on area farms.

In 1950, construction began on the Boulder Turnpike, stretching from Wadsworth Boulevard to the city of Boulder. The turnpike was designed as a toll road and one of the first paved arterials in the area. With the purchase of land by the Turnpike Land Co., the master planned community that became Broomfield was begun. By 1961 the city was incorporated with a population of 6,000 in southeastern Boulder County.

From 1969 to 1989, Broomfield grew through annexations in Jefferson, Adams and Weld Counties, becoming the only Colorado city located in four separate counties. Obvious inefficiencies of dealing with four separate court districts, county seats and sales tax bases, combined with longstanding political differences with no-growth Boulder impelled Broomfield to seek to become its own county. Thus, an amendment to the Colorado State Constitution was passed in 1998, and after a three-year transition, Broomfield County became the 64^{th} and smallest Colorado county (27.5 square miles in area) on November 15, 2001. A current map of the City and County of Broomfield follows.



Much of the economic growth in Broomfield in the 1990s was focused on technology. According to the Broomfield Economic Development Corporation, the major employers in Broomfield are as follows:

Level 3 Communications	2,060
Oracle Corporation	1,900
Hunter Douglas	895
Urban Lending Solutions	800
Staples / Corporate Express	700
Ball Corporation	648
Sandoz, Inc.	600
City & County of Broomfield	581
WhiteWave Foods	450
Vail Resorts, Inc.	430
TransFirst Holdings, Inc.	385
MWH Global	350
Brocade Communications Systems, Inc.	300
VMWare	275
Webroot Software, Inc.	245
ZOLL	225

The Broomfield EDC also notes that high technology manufacturing accounts for more than half of all jobs in Broomfield and Boulder Counties. More than 700 companies employ over 30,000 people in high–tech research, manufacturing and information technology services in the northwest quadrant of the Denver Metropolitan area in which Broomfield is located.

With the opening of Flatiron Crossing Regional Mall in 2000, large–scale retail joined the rapid Broomfield development. The mall features nearly 1,500,000 square feet of retail space in two enclosed levels with an adjoining 50,000 square feet of outdoor pedestrian shopping plaza called The Village. The mall houses approximately 200 shops and restaurants, but has evidenced economic (and physical) problems in recent years.

First, The Village was built on shifting soils that caused structural damage that became evident in 2006, leading to the loss of several tenants. Second, original tenants signed 10–year leases that recently expired and major retailers such as McDonald's and Cinnabon decided not to renew. Other vacating tenants included Panda Express and Abercrombie & Fitch.

Remaining major tenants include Nordstrom, Dillard's, Macy's, The Container Store, and Dick's Sporting Goods. A 2008 renovation, projected to cost $53 million, was put on hold a year later, despite a commitment by Broomfield to reimburse $26 million if the project proceeded.

1st Bank Center

Located 6.2 miles southeast of the subject between Wadsworth Parkway and the Boulder Turnpike, the 1stBank Center is touted as the premier mid–sized event venue in the Denver metropolitan area. Formerly the Broomfield Event Center, the multi–use arena was constructed between October 2005 and November 2006 at a cost of $49 million (in 2012 dollars). Its capacity is flexible, accommodating seating from 3,500 to 6,500 for a variety of musical, sporting, entertainment and charitable events. Since September 2009, the Center has been operated by Peak Entertainment LLC, a joint venture of Anschutz Entertainment Group and Kroenke Sports Enterprises.

Adjacent to the center, RTD has constructed the Broomfield Park–n–Ride facility, which includes bus–only slip ramps, a multi–level parking garage with 1,310 spaces, and pedestrian bridge across US 36.

Rocky Mountain Metropolitan Airport

Located five miles southeast of the subject property, the former Jefferson County Airport (renamed in 2006) covers 633 acres with three active runways. The airport is used by general aviation, corporate traffic and is home to several flight schools. It has the distinction of being located nine miles northwest of the Denver Central Business District, by far the closest airport to downtown.

The airport finished 2011 with a total of 121,994 operations (fly–overs, landings, takeoffs, and touch and goes), a drop of 0.8% from 2010, but a 31.1% drop from the peak year of 2005 (177,096 operations). By comparison, Centennial Airport had 303,043 operations in 2011, up 4.7% from last year's total (289,546), but also down substantially (35%) from its peak year 1998 total of 466,267. The Centennial Airport also has three runways, but each is longer than the comparable one at Rocky Mountain Metropolitan.

Interlocken Technology Park

Located on 963 acres north of the Rocky Mountain Metropolitan Airport, the Interlocken Technology Park is an advanced technology–oriented business park planned for eventual build–out of 10.5 million square feet. While the technology bust early in the previous decade had a major effect on the park, it is nevertheless likely to gain early benefits from any sustained recovery. The Interlocken/Broomfield area is one of only three in metropolitan Denver with large concentrations of companies, the others being the Denver Technology Center (DTC) and downtown.

It was a major coup when Sun Microsystems developed a data center facility in 1997. Three years later it's stock peaked at over $250, but by December 2001 had crashed to $100, on its way to less than $15 by the end of 2002. In 2005 Sun acquired local hard drive manufacturer StorageTek, but in turn was sold to Oracle Corporation in 2009, which maintains approximately 1,900 employees in 1.1 million square feet in Broomfield.

In addition to Oracle, Level 3, Time Warner and Hunter Douglas, other companies located in Interlocken include:

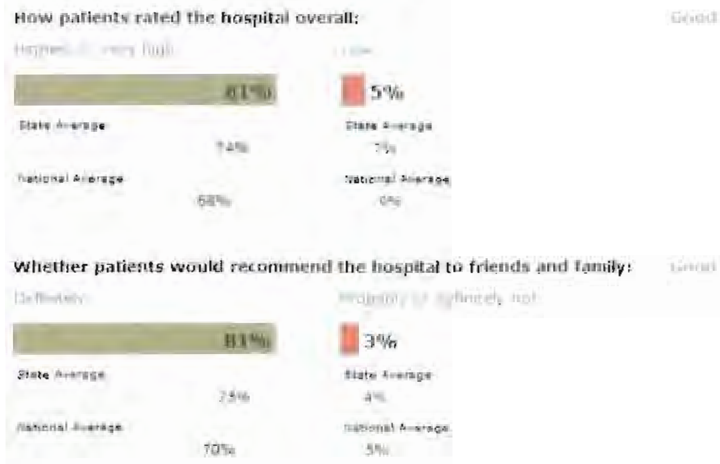
- Booyah Networks (digital marketing and technologies)
- Clifton Gunderson LLP (13th largest CPA and consulting firm in the country)
- Corporate Express (a leading business–to–business supplier of office and computer products)
- McKesson (healthcare services)
- VMWare (provider of computer virtualization technology)

Omni Interlocken Resort

Shown on the map on the following page is the location of the Omni Interlocken Resort adjacent to the technology park on the west. The resort was designed to cater to corporate business travelers and corporate groups and associations. It features a 27–hole golf course, 390–room hotel, health club and spa, and walking, jogging, hiking and biking paths. The resort also includes 34,000 square feet of meeting/banquet, two ballrooms, and state–of–the–art meeting rooms.

Avista Adventist Hospital

Established in 1990 by the Seventh–day Adventist Church and now connected to the Centura health network, Avista Adventist Hospital is located 1.6 miles southeast of the subject property. After undergoing multiple expansions, the 114–bed facility is a full service acute care hospital with a medical staff of more than 500 physicians. In addition to providing critical care services (emergency, trauma and intensive care), Avista is a leading provider of birthing services. A patients satisfaction survey published by USNews Health rated Avista Adventist Hospital well–above the state and national average ratings:



Boulder

Located 25 miles northwest of Denver at the base of the foothills of the Rocky Mountains, Boulder is the most populous city as well as the county seat of Boulder County. Covering 25.4 square miles, of which one square mile is water, Boulder is famous for its stunning natural beauty due to the proximity of the slabs of sedimentary stone tilted up on the foothills, known as the Flatirons.

Boulder is the 11th largest city in Colorado, measured by population, having been passed by Thornton as of the 2010 Census. Greeley and Longmont are likely to do so by the next census, if they continue their historic growth rates.

The original Boulder City was organized in 1859 with 4,044 lots laid out by the Boulder City Town Company, offered for sale at $1,000 each. Boulder City remained part of the Nebraska Territory until February 1861 when Congress established the Territory of Colorado. The city developed as a supply base for miners searching the mountains for gold and silver. In that same year legislation was passed that allowed a state university to be located in Boulder, although the cornerstone for the first building wasn't laid until 1875. The University of Colorado opened in 1877. Today CU adds approximately 46,000 residents to Boulder – 30,000 undergraduate students, 7,000 graduate students and 10,000 staff/faculty.

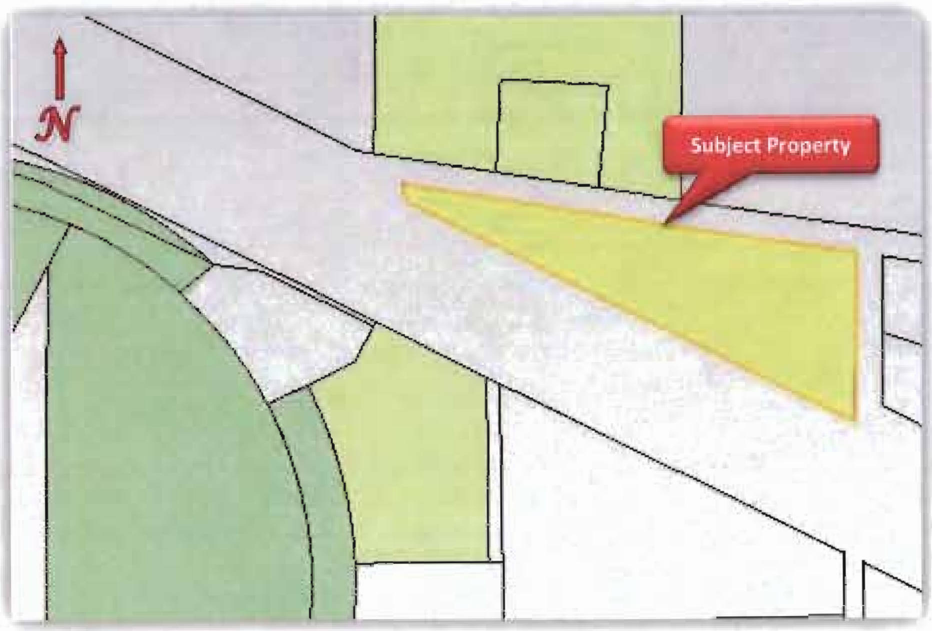
According to Wikipedia, major employers in and near Boulder with more than 400 employees include:

- University of Colorado
- IBM
- Ball Aerospace and Technologies Corporation
- Level 3 Communications
- National Institute of Standards and Technology and National Oceanic and Atmospheric Administration
- Covidien, formerly Tyco Healthcare Group

- City of Boulder
- National Center for Atmospheric Research
- Amgen
- Crispin Porter & Bogusky
- Micro Motion
- Crocs
- Lockheed Martin

A more property-specific overview of the locational factors affecting the subject property was provided in the report text.

Boulder County Assessor's Map



Boulder County Floodplain Map

COLORADO DEPARTMENT OF TRANSPORTATION
REAL PROPERTY

TO BE ACQUIRED

Parcel Number: 8B

FROM

CITY OF LOUISVILLE, COLORADO,
a Colorado home rule municipal corporation
749 Main Street
Louisville, CO 80027

Site Address: 1160 Dillon Road
Louisville, CO 80027

FOR

Project Code: 18907
Project Number: NH 0361-103, Segment F
Location: Foothills Parkway to McCaslin Blvd.

EXHIBIT "A"

PROJECT CODE: 18907
PROJECT NUMBER: NH 0361-103, SEGMENT F
PARCEL NUMBER: 8B
DATE: OCTOBER 16, 2012
DESCRIPTION

Parcel No. 8B of the Department of Transportation, State of Colorado, Project Number NH 0361-103, Segment F, containing 41,589 square feet (0.955 Acres), more or less, lying in the SW 1/4 of Section 13, Township 1 South, Range 70 West of the 6th P.M., being a portion of a parcel of land described in Reception No. 2880942, recorded September 5, 2007, in the Boulder County Clerk and Recorder's Office, being more particularly described as follows:

Commencing at the Center 1/4 Corner of said Section 13 (a found 3/4" Rebar with 2 1/2" Aluminum Cap Stamped "CIVIL ARTS-DREXEL T1S R70W C1/4 S13 2007 PLS 25379"), Whence the South 1/4 Corner of said Section 13 (a found 2 ½" Illegible Aluminum Cap in range box), bears S.00°06'51"W., a distance of 2708.35 feet (basis of bearing – grid bearings of the UTM System Zone 13 North, NAD 1983 (1992));
Thence S.00°06'51"W., coincident with the easterly line of the SE 1/4 of said Section 13, a distance of 1102.65 feet to the POINT OF BEGINNING;

1. THENCE S.00°06'51"W., continuing coincident with said easterly line, a distance of 41.46 feet to the northeasterly right of way line of U.S. Highway No. 36, as delineated on Project No. T 170-1(0), as it existed in March 2012;

THENCE coincident with said northeasterly right of way line the following two (2) courses:

2. N.63°04'24"W., a distance of 1125.16 feet;
3. N.20°35'49"W., a distance of 33.30 feet to the northerly line of said parcel of land described in Reception No. 2880942 and the southerly right of way line of Dyer Road;
4. THENCE S.80°50'30"E., coincident with said northerly line, a distance of 47.55 feet;
5. THENCE S.63°04'24"E., parallel with and 37.00 feet northeasterly of said northeasterly right of way line of U.S. Highway No. 36, a distance of 1085.75 feet to the POINT OF BEGINNING.

The above described parcel contains 41,589 square feet (0.955 Acres), more or less.

10-16-2012

For and on the behalf of
Jacobs Engineering Group, Inc
Marla M. McOmber, PLS 24961
707 17th Street, Suite 2300
Denver, CO 80202

Colorado Department of Transportation

1420 2nd Street
Greeley, CO 80631
Phone/Fax: 970-350-2161

Region 4 PTS

Sheet Revisions		
Date	Description	Initials
mm/dd/yy	XXXXXXXX	XXX

Sheet Revisions		
Date	Description	Initials
mm/dd/yy	XXXXXXXX	XXX

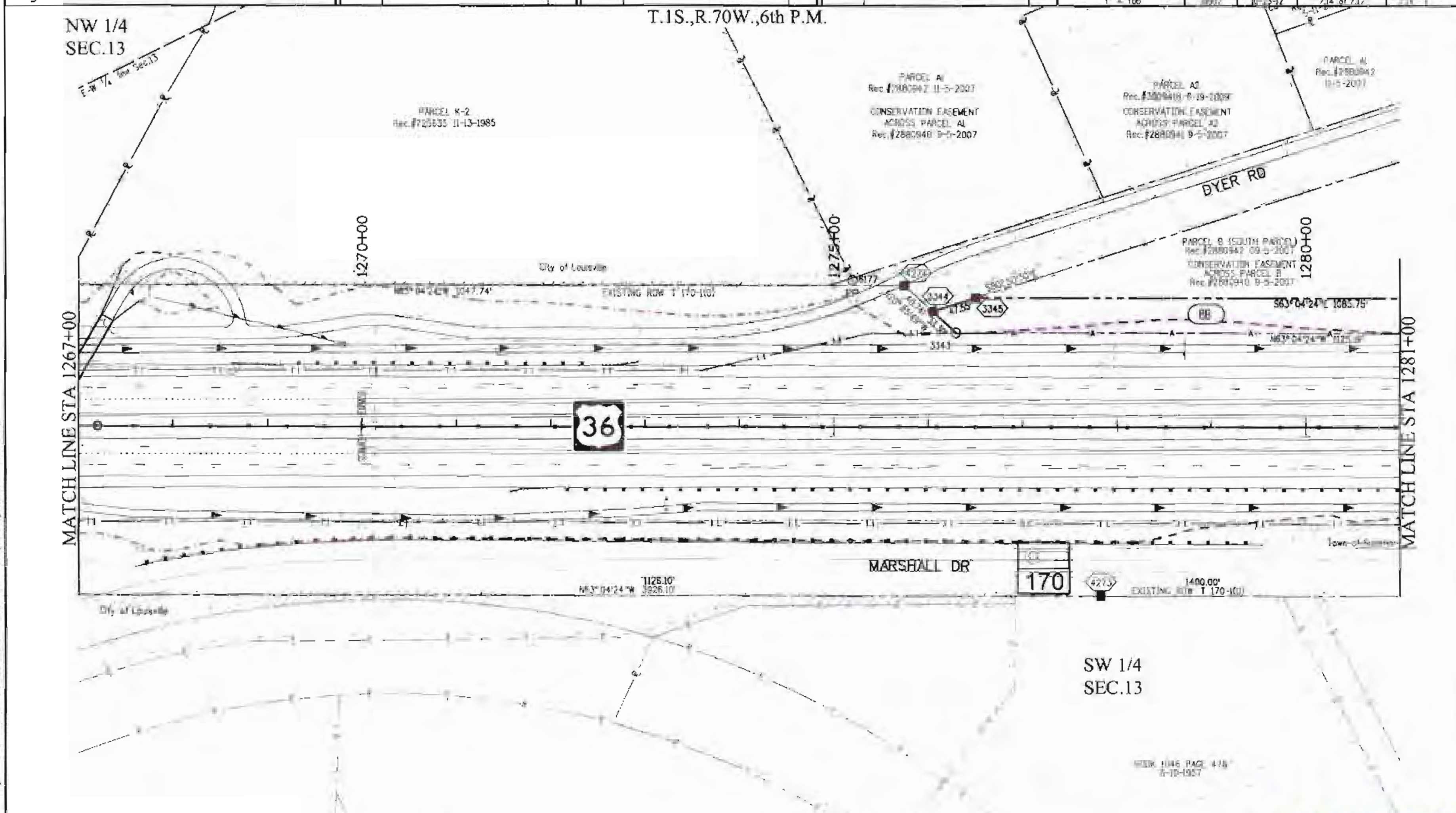
Sheet Revisions		
Date	Description	Initials
mm/dd/yy	XXXXXXXX	XXX

1" = 100'

Right of Way Plans
Plan Sheet

Project Number: NH 0361-103, Segment F
Project Location: Foothills Pkwy to McCaslin Blvd
Secs.9,10,11,13,14 T1S,R70W/6th PM

Project Code	Last Mod. Date	Subset	Sheet No.
18907	10-23-12	7.14 of 7.17	7.14



BB CITY OF LOUISVILLE, COLORADO, a Colorado home rule municipal corporation

JACOBS

Colorado Department of Transportation

1420 2nd Street
Greeley, CO 80631
Phone/Fax: 970-353-2181

Region 4 PTS

Sheet Revisions			Sheet Revisions			Sheet Revisions		
Date	Description	Initials	Date	Description	Initials	Date	Description	Initials
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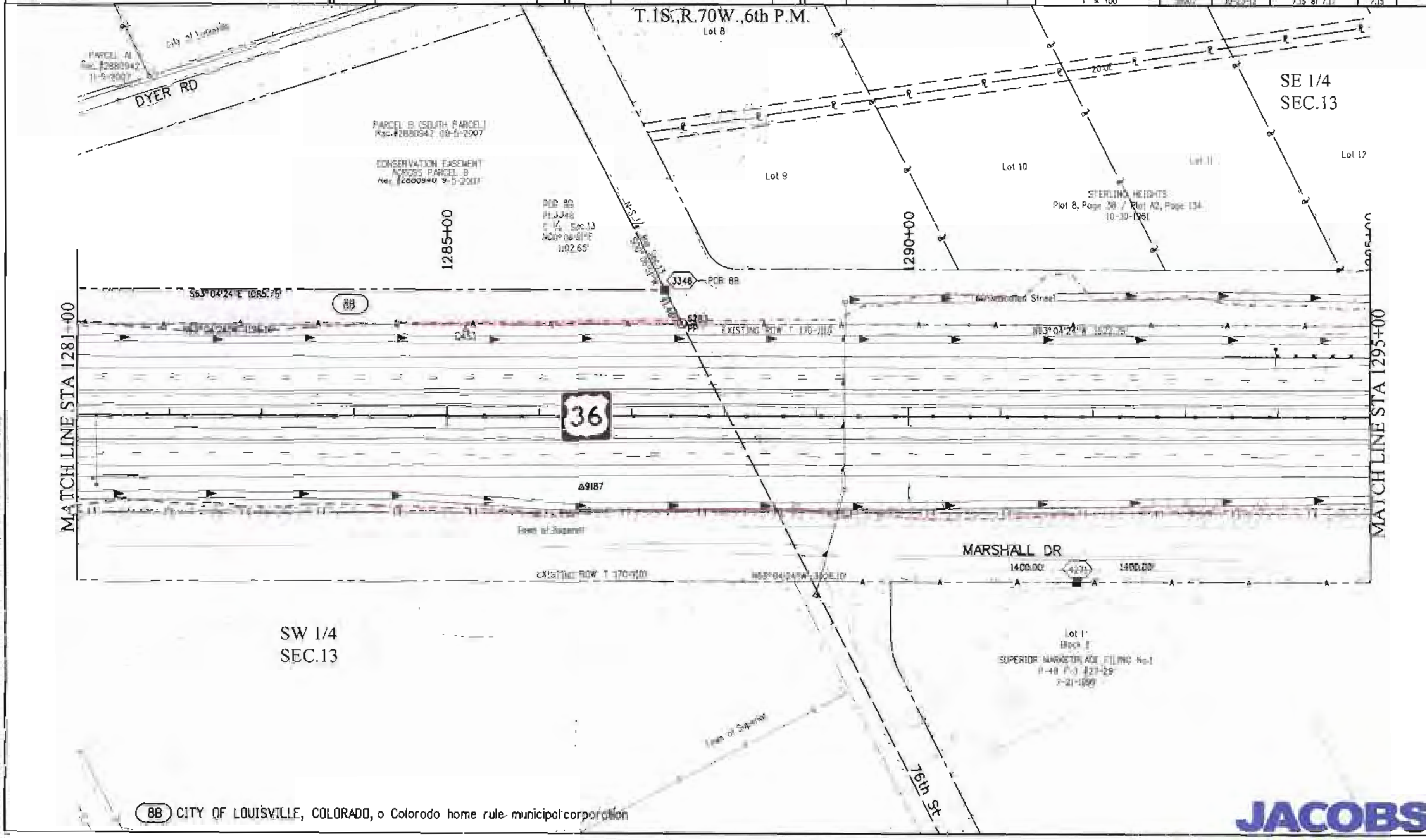
1" = 100'

Right of Way Plans
Plan Sheet

Project Number: NH 0361-103, Segment F
Project Location: Foothills Pkwy to McCaslin Blvd
Secs.9,10,11,13,14 T1S,R70W/6th PM

Project Code	Last Mod. Date	Subset	Sheet No.
		7.15 of 7.17	7.15



Certification of the Appraiser

Project: **US 36 Managed Lane, Segment F**
Ownership: **City of Louisville**

I certify that, to the best of my knowledge and belief:

- I have personally inspected the subject property appraised and I have also made a personal field inspection of the comparable sales relied upon in making this appraisal, examined sales instruments of record, and have confirmed the sale transactions with the buyer, seller, attorney in fact, and/or broker. The photographs in this appraisal report reasonably represent the subject property, the property to be acquired, and comparable sales relied upon.

- any increase or decrease in the reasonable market value of the real property appraised caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than physical deterioration within the reasonable control of the owner, was disregarded in this appraisal [Colorado Jury Instructions—Civil 4th, 36:3 and 49 CFR 24.103(b)]. This jurisdictional exception to USPAP Standards Rule 1–4(f) applies only to the reasonable market value of the larger parcel value before take and value of part(s) taken.

- my analyses, opinions, conclusions developed, and this appraisal have been prepared in conformity and consistent with the *Uniform Standards of Professional Appraisal Practice (USPAP),* appropriate State laws, regulations, policies and procedures applicable to appraisal of property for public purposes.

- To the best of my knowledge no portion of the value assigned to the property consists of items which are non–compensable under established State law.

- the statements of fact contained in this report are true, and the information upon which the opinions expressed in this report are based is correct. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions set forth in this appraisal report, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions.

- I have no present or prospective interest in or bias with respect to the property that is the subject of this report, or in any benefit from the acquisition of the property appraised.

- I have no personal interest or bias with respect to the parties involved with this assignment.

- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three–year period immediately preceding acceptance of this assignment.

- my engagement in this assignment was not contingent upon developing or reporting predetermined results.

- neither my employment nor my compensation are in any way contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the clients, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. The value estimate was reached without collaboration or compulsion.

- I have not revealed the findings and results of this appraisal to anyone other than the proper officials of the Colorado Department of Transportation nor will I do so until required by due process of law or by having publicly testified as to the findings.

- no one provided significant professional assistance to the person signing this report.

- the use of this report is subject to the requirements of the Board of Real Estate Appraisers and the Appraisal Institute relating to review by their duly authorized representatives.

- as of the date of this report, I, Bonnie D. Roerig, MAI, has completed the requirements of the continuing education program of the Appraisal Institute in addition to the requirements of the continuing education program of the Board of Real Estate Appraisers, State of Colorado.

- the date of the appraisal report is March 1, 2013.

- based upon my independent appraisal and the exercise of my professional judgment, my opinion of compensation for the acquisition as of the effective date of appraisal and valuation, February 17, 2013, is **$37,430** as if unaffected by hazardous waste or contamination issues. This represents adoption of an extraordinary assumption according to USPAP and may have affected the assignment results.

Bonnie D. Roerig

Bonnie D. Roerig, MAI (AI)
Colorado Certified General Appraiser #CG1313395

Summary of Experience and Qualificotions – Bonnie D. Roerig, MAI

1. **Memberships:**

Appraisal Institute:

Designated MAI in November 1981
Executive Committee, 1995–1996
Board of Directors, 1995–1996
Finance Committee, 1995
National Planning Committee, 1994–1995
General Appraiser Board, 1992–1996; Vice–Chair 1994; Chair 1995 and 1996
Regional Member — Ethics Administration Division, Region II, 1992–1995
Assistant Regional Member – Ethics Administration Division, Region II, 1988–1992
General Demonstration Reports Subcommittee, Chair 2000–2002; Vice–Chair, 1999, Member 2003–04
Demonstration Appraisal Grading Panel – 2005–2012
General Admissions Committee, 2000–2002
Non–Residential Demonstration Reports Subcommittee — 1985–1990; Co–Vice Chair, 1987–1990
Board of Examiners — Appraisal Reports, 1987–1990
Instructor Subcommittee, 1998–1999
Qualifying Education Committee, 1999–2002; Vice–Chair, 1999
Appraisal Journal Editorial Subcommittee, 1999–2001; Chair and Editor–in–Chief, 2002–2003
Educational Publications Committee, 2002–2003
Region Finance Officer, Region II – 2005–2012
Member, Leadership Development and Nominating Committee, 2007
Chair, Appraisal Standards Committee, 2008–2011
Member, Strategic Planning Committee, 2008–2009
2009 Recipient, President's Award (for lifetime achievement)

Colorado Chapter of the Appraisal Institute:

Recipient of Distinguished Service Award, December 1996
President, 1990
Vice–President – President–Elect, 1989
Secretary–Treasurer, 1988
Board of Directors, 1985–1991
Co–Chairman, Admissions Committee, 1983–1984

International Right–of–Way Association, Mile Hi Chapter 6

Education Committee, 2002–2006
Recipient of Helen C. Peck/Frances Reisbeck Memorial Award, March 2005
Treasurer, 2007
Recipient of the Vic Ramer Memorial Right of Way Professional of the Year Award – 2007
Secretary, 2008
Vice–President, 2009
President, 2010–2011
International Director, 2011–2012

Educational Council of Appraisal Foundation Sponsors

Examination Committee, 2004–2009

2. **Business Affiliations:**

Owner, Bonnie Roerig & Associates, Real Estate Analysts and Value Consultants, since January 1988.
Incorporated Bonnie Roerig & Associates, LLC in February 2003.
Member, National Federation of Independent Business (NFIB)
Full Partner, Baughar–Roerig & Associates, August 1982 through December 1987.
Full–time real estate appraisal work since 1970, Denver–Boulder area and throughout Colorado.

3. **Experience:**

a) Appraisals throughout metropolitan Denver and in various locations in Colorado since 1970.
b) Extensive commercial, industrial, office, and vacant land appraisal experience.
c) Valuation studies and appraisals in conjunction with eminent domain proceedings since 1974.
e) Qualified as expert witness in various District and County Courts.
f) Appraisal review and appraisal consultation.
g) Fundamental market analysis studies.
h) Instructor, Appraisal Institute, USPAP, ACO, and various seminars.
i) Instructor and course developer, general demonstration report writing seminar, Appraisal Institute

j) Subject Matter Expert, Appraiser Qualifications Board, Appraisal Foundation
k) AQB Certified USPAP Instructor (No. 10334), 2003–March 2014
l) Contract investigator for Colorado Board of Real Estate Appraisers, 2007 and 2011
m) Arbitrator, real estate assessments, Boulder County, Douglas County and Jefferson County
n) Hearing Officer, Board of Equalization, Douglas and Boulder Counties, 2007–2011
o) Approved appraiser, Colorado Department of Transportation
p) Federal review appraiser, Regional Transportation District

4. Education:

a) Bachelor of Arts in Speech Arts, 1968
b) Master of Arts Degree in Communication Arts, 1971
c) Appraisal Institute/American Institute of Real Estate Appraisers:
   Course I–A, Basic Appraisal Principles – Methods and Techniques
   Course I–B, Capitalization – Theory and Techniques
   Course 310, Basic Income Capitalization
   Course 520, Highest & Best Use and Market Analysis
   Course 530, Advanced Sales Comparison and Cost Approaches
   Course 540, Report Writing and Valuation Analysis
   Course 705, Litigation Appraising, Specialized Topics and Applications
   Course IV, Condemnation
   Course VI, Investment Analysis
   Uniform Appraisal Standards for Federal Land Acquisitions Seminar ("Yellow Book")
   Appraisal Curriculum Overview, 2008
   Litigation Appraising: Specialized Topics and Applications, 2010
   The Appraiser as an Expert Witness: Preparation & Testimony, 2010
d) Continuing education requirements of the Appraisal Institute have been met.
e) Colorado State General Certified Appraiser, No. CG1313395, continuing education current
f) Concepts and Principles of USPAP, An Instructor's Application, The Appraisal Foundation, 2003
g) Appraising Conservation Easements and Case Studies, ASFMRA, 2005
h) Integrating Appraisal Standards, IRWA, 2005
i) Spreadsheet Modeling, Appraisal Institute 2011
j) Valuation of Environmentally Contaminated Real Estate, IRWA, 2012

5. Appraisal and Consulting Clients:

Adams County
Apple Computer, Inc.
Arapahoe County
Bank of Boulder
CDH Associates, LLC
City of Aurora
City of Arvada
City of Black Hawk
City of Boulder
City & County of Denver
City of Colorado Springs
City of Estes Park
City of Englewood
City of Fort Collins
City of Lakewood
City of Littleton
City of Steamboat Springs
City of Westminster
Colorado Department of Transportation
Colorado Housing Finance Authority
ConocoPhillips
Denver Public Schools
Denver Urban Renewal Authority
Denver Water Board
E–470 Public Highway Authority
Englewood Downtown Development Authority
Federal Deposit Insurance Corporation
Front Range Airport
GSA – Public Building Services
Guaranty Bank and Trust Co.
Horan & McConaty Family Funeral Services
Howard Electric Company
Internal Revenue Service
ITT Grinnell
Jefferson County
KWAL Paints, Inc.
Montegra Capital Resources, Ltd.
Mountain States Bank
Murphy Creek Metropolitan District
Parker Water & Sanitation District
Pioneer Centres
Regional Transportation District
St. Joseph's Hospital
Southeast Corridor (T–Rex)
Steele Street Bank & Trust
Stewart Title Guaranty Co.
U.S. Postal Service
United Steel Workers of America
Upland Industries Corporation
Urban Drainage and Flood Control
Vectra Bank Colorado, N.A.
Various Private Clients
Xcel Energy

Bonnie Roerig & Associates, LLC
1873 S. Bellaire St., Suite 1222
Denver, CO 80222
303-757-5525

Testimony and/or deposition record
Bonnie D. Roerig, MAI

Date	Client	Case Name		Jurisdiction
Jan-00	RTD	19.427 acre owned by Denver Residential Inc., for acquisition for Park-n-Ride facility NS Ken Caryl Ave., ES Shaffer Pkwy.	Deposition Testimony	Jefferson County Dist.
May-01	Kirby Ross	Land Leased Fee Analysis, Royal Palace Hotel at 1565 Colo. Blvd., Denver	Deposition	Denver District
Jul-01	Alvin Chua, Esq.	Rent study for 605 Parfet St., Lakewood Tai-Dan Hsu, owner	Testimony	Jefferson County Dist.
Nov-02	City of Aurora	1470 Emporia St., Aurora (City acquisition), owned by Michael Deans	Testimony	Arapahoe County
Mar-03	Parker Water & Sanitation District	36 acres vacant land, Douglas County owned by Anton & Sherry Johnson	Deposition	Douglas County Dist.
Apr-03	Parker Water & Sanitation District	55.72 acres vacant land, Douglas County owned by Gwendolyn Mandel	Deposition	Douglas County Dist.
Jun-03	Parker Water & Sanitation District	55.72 acres vacant land, Douglas County owned by Gwendolyn Mandel	Testimony	Douglas County Dist.
Aug-03	W. 72nd Ave. Extension	Boyer property, partial acquisition 7240 Kipling Street	Deposition Testimony	Jefferson County Dist.
Sep-03	T-Rex	Haynes Mechanical Building Greenwood Village	Deposition Testimony	Arapahoe County
Nov-03	T-Rex	Koelbel Property, E. Yale Cir. Total taking	Deposition Testimony	Denver District
Feb-04 Mar-04	City of Arvada	HK Newplan Property Arvada Plaza Shopping Center PE and TE acq./Rebuttal	Deposition Testimony	Jefferson County Dist.
Nov-05	City of Black Hawk	Yonkers & Tarbox Partial Acquisition	Deposition Testimony	Gilpin County Dist.
Oct-06	Dry Creek Reservoir	Appraisal Review, three owners	Deposition	Larimer County Dist.
Apr-08	Union Pacific RR Co.	UP v. Cline et.al.	Deposition	Grand County Dist.
Aug-09	RTD	Smita Merchant, Inc. (1370-1390 Wadsworth)	Deposition	Denver District
Sep-09	RTD	Naiman, et al.	Deposition	Jefferson County Dist.
Oct-09	RTD	Naiman, et al.	Testimony	Denver District
Oct-10	RTD	Quadrant Properties	Deposition	Denver District
Mar-11	Internal Revenue Service	C.L. Mitchell LLC	Testimony	Federal Tax Court

REAL PROPERTY APPRAISAL REPORT

LOCATION:	Northeast Side US 36 West of Dyer Road Louisville, Colorado
OWNERSHIP:	City of Louisville, Colorado
PARCEL NO.:	8C

SUMMARY REPORT
PARTIAL TAKE NARRATIVE REPORT

PREPARED FOR:

Ms. Nancy Terry
Region 6 ROW – Appraisal
Colorado Department of Transportation
2000 S. Holly Street
Denver, Colorado 80202

PREPARED BY:

Bonnie D. Roerig, MAI

Bonnie Roerig & Associates, LLC
Real Estate Analysts • Valuation Consultants
1873 S. Bellaire Street, Suite 1222
Denver, Colorado 80222–4359

PROJECT:	**US 36 Managed Lane Project**
PROJECT CODE:	**18907**
PROJECT NO.:	**NH 0361–103 Segment F**
APPRAISER:	**Bonnie D. Roerig, MAI**
DATE OF VALUATION:	**February 17, 2013**
DATE OF REPORT:	**March 1, 2013**

Real Estate Analysts
Valuation Consultants

Bonnie Roerig & Associates, LLC
Bonnie D. Roerig, MAI

March 1, 2013

Ms. Nancy Terry
Region 6 ROW – Appraisal
Colorado Department of Transportation
2000 S. Holly Street
Denver, Colorado 80202

RE:	PROJECT:	US 36 Managed Lane
	LOCATION:	Foothills Parkway to McCaslin Boulevard Boulder County, Colorado
	OWNERSHIP:	City of Louisville

Dear Ms. Terry:

This is my real property appraisal report for the referenced property with an effective date of appraisal and valuation as of February 17, 2013. The purpose of this appraisal is to provide an opinion of compensation for the reasonable market value of the property actually taken; compensable damages, if any, to the residue; and specific benefits, if any, to the residue. Only the underlying land/site value and affected improvements acquired in the taking area have been valued in this appraisal per CDOT assignment condition. The development of my appraisal is contained in the attached appraisal report which sets forth my conclusions, supporting data, and reasoning.

I understand that this appraisal may be used in connection with the acquisition of land for the referenced project to be constructed the Colorado Department of Transportation. If necessary, this report with supporting data, analyses, conclusions, and opinions is to serve as a basis for court testimony for condemnation trial purposes. This appraisal report will become a public record after final settlement with the owner or after the conclusion of legal proceedings.

The reasonable market value and compensation estimate are subject to certain definitions, assumptions and limiting conditions, and certification of appraiser set forth in the attached appraisal report. Based upon my independent appraisal and exercise of my professional judgment, my compensation estimate for the acquisition as of February 17, 2013 is **$19,775.** Note that this appraisal is based on adoption of an extraordinary assumption relative to environmental issues. This extraordinary assumption may have affected the assignment results.

Sincerely,

Bonnie D. Roerig

Bonnie D. Roerig, MAI (AI)
Colorado Certified General Appraiser #CG1313395
BDR/ma

1873 S. Bellaire Street
Suite 1222
Denver, Colorado 80222-4359
Phone: 303-757-5525
Fax: 303-757-8835
E-mail: bonnie@coloradoappraiser.net

Table of Contents

Executive Summary

Project:	US 36 Managed Lane Project, Segment F
Project Code:	18907
Project Number:	8C
Name of Owner:	City of Louisville, Colorado
Property Address or Location:	Northeast side US Highway 36, west of Dyer Road, Louisville, Colorado
Project Location:	Foothills Parkway to McCaslin Boulevard, Boulder County, Colorado
Property Interest Appraised:	Fee simple
Owner Present at Inspection:	Yes; Mr. Joe Stevens was present on February 28, 2013.
Effective Appraisal/Value Date:	February 17, 2013
Date of Appraisal Report:	March 1, 2013
Environmental Concerns:	No environmental investigation has been provided and I am not qualified to make such investigation. The value estimate is based on adoption of the extraordinary assumption that the site is "clean." This assumption may have affected the assignment results. Notwithstanding this assumption, if information is subsequently made available that would invalidate it, then the value conclusion is subject to change (assuming the scope of work includes appraisal of the land as contaminated).
Larger Parcel Land/Site Area:	The Centennial Valley 4th Filing and the legal description of the parcel both show it to contain 12.67 acres. The Boulder County assessor's area is 11.9 acres. CDOT project plans show 12.69 acres. The plan area of 12.69 acres or 552,786 square feet has been adopted for purposes of this appraisal.
Owner Improvements:	None. South perimeter fencing is the property of CDOT.
Subject Five– Year Sales History:	There have been no open market, arm's length transactions of the property since it, together with other lands, were conveyed by Homart Development Company to the City of Louisville on July 31, 1984. The transaction was exempt from a State Documentary fee. (Special Warranty Deed No. 00725635).
Zoning:	Open space, City of Louisville
Highest/Best Use Before Take:	Open space and natural areas; part of Davidson Mesa open space
Highest/Best Use After Take:	Unchanged.
Part Taken Total Land/Site Area:	21,969 square feet; 0.504 acre, more or less
Damage Considerations:	None noted
Cost to Cure:	None
Special Benefits Considerations:	None noted

Value and Compensation Conclusions	
Larger Parcel Value Before Take	
Site Value	$497,500
Improvements Value	
Larger Parcel Value Before Take	**$497,500**

Value of Part Taken						
Site Value of Part Taken:						
Parcel	Area	Unit Value	Rate (%)	Value	Total Value	
8C	21,969 SF	$0.90/SF		$19,772		
Site Value of Part Taken, rd.					$19,775	
Easement Value of Part Taken:						
Parcel	Area	Unit Value	Rate (%)	Value	Total Value	
Easement Value of Part Taken						
Improvements Value of Part Taken:						
Imp. No.	Description (Type, Size, Age, Condition, etc.)			Contr. Value	Total Value	
Total Improvements Value of Part Taken						
Value of Part Taken						**$19,775**

Residue Value Before Take		
Larger Parcel Value and Improvements Before Take	$497,500	
Less: Value of Part Taken	$19,775	
Residue Value Before Take		**$477,725**

Residue Value After Take		
Site Value – Residue After Take	$477,725	
Improvements Value – Residue After Take		
Residue Value After Take		**$477,725**
Compensable Damages to Residue After Take		**$-0-**
Indicated Specific Benefits to Residue After Take		**$-0-**

Compensation Summary		
Land Value of Part Taken		$19,775
Compensable Damages – Residue After Take		
Restoration Cost (Cost to Cure) – Residue After Take		
Specific Benefits – Residue After Take		
Net Compensable Damages (and/or Offsetting Specific Benefits) to Residue		
Rental Value of Temporary Easements		
Compensation Estimate		**$19,775**

Subject Property

Note that outline of subject property is approximate because the aerial view is angled and not directly overhead.

PART 1 – SCOPE OF WORK

Assumptions and Limiting Conditions

The certification of the appraiser who developed this report is subject to the *Assumptions and Limiting Conditions* that are listed below:

Extraordinary Assumptions

Definition of Extraordinary Assumption: "*An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.*"

> Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, Washington DC, 2012–2013 Ed., U–3.

This assignment is to estimate compensation for the proposed CDOT acquisition under the extraordinary assumption that the subject site is "clean." No information is available regarding potential environmental hazards at this property. USPAP requires disclosure that this may have affected assignment results.

Hypothetical Condition

Definition of Hypothetical Condition: "A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis."

> Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of the data used in an analysis.

Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, Washington DC, 2012–2013 Ed., U–3.

No hypothetical conditions were adopted in this analysis.

General Assumptions and Limiting Conditions

1. The legal descriptions, land areas, surveying and engineering data provided by the Region are assumed to be correct. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photographs and exhibits are included for the same purpose. Site plans are not surveys unless prepared by a separate surveyor.

2. This is a summary appraisal report, which is intended to comply with the reporting requirements set forth in Standards Rule 2–2(b) of USPAP.

3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report. The property is appraised "as if free and clear" of liens and encumbrances, but subject to existing easements, covenants, deed restrictions, and rights–of–way of record, and excepting therefrom all rights to oil, natural gas, or other mineral resources beneath such real property. This mineral interest exception is an assignment condition.

4. Opinions, estimates, data, statistics, exhibits, drawings, sketches and similar materials furnished by others in the course of studies relating to this report are considered reliable unless otherwise noted.

5. Responsible ownership and competent management of the subject property are assumed.

6. This report is as of the date set out and is not intended to reflect subsequent fluctuations in market conditions, up or down. As an assignment condition, no specific exposure time is linked to the value and compensation conclusions in this appraisal report, however, reasonable exposure time is presumed. This is in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions, which is a guiding document in eminent domain appraisal procedures and policies followed by CDOT and by other agencies, organizations and appraisal professionals.

7. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or arranging for engineering studies that may be required to discover them.

8. It is assumed the subject property complies with all applicable zoning and use regulations and restrictions, unless non–conformity has been stated, defined, and considered in this appraisal report.

9. It is assumed the use of land and improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass unless otherwise stated in this report.

10. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection of the subject property. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the subject property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.

11. Certain tabulations in this report include embedded Microsoft® Excel spreadsheet objects. The numbers displayed in these objects are computed by the program with unrounded numbers except where they are labeled as "Rounded to." This spreadsheet cannot be checked by use of a calculator unless it is a financial calculator which also uses internally unrounded numbers. The tabulation displays to zero or two decimal places, as appropriate.

Purpose of the Appraisal

Eminent domain appraisal is subject to the Code of Federal Regulations (CFR) and the federal Uniform Act appraisal requirements, Colorado Revised Statutes (C.R.S.), and Colorado Jury Instructions (CJI). Real property appraisal development and reporting are subject to the *Uniform Standards of Professional Appraisal Practice (USPAP).*

The purpose of this appraisal was to develop a compensation estimate for the reasonable market value of the property/property rights being sought; compensable damages, if any, to the residue; and specific benefits, if any, to the residue. Referred to as the modified state before–and–after rule, steps to develop a compensation estimate for the acquisition of real property are:

1. Larger Parcel Value Before Take
2. Value of Part Taken (including easements acquired)
3. Residue Value Before Take (Value of Larger Parcel Before Take Less Value of Part Taken)
4. Residue Value After Take (including encumbered easement areas acquired)
5. Analysis of Damages and/or Benefits
6. Rental Value of Temporary Easements
7. Compensation Estimate Summary

Please see the Appendices for further details about the steps outlined above.

Identity of the Clients and Intended Users

This appraisal report has been prepared for the client, CDOT. Intended users of this appraisal report include representatives of CDOT, attorneys with the Colorado Office of the Attorney General, and representatives of RTD. Other known users include the property owner or the owner's personal representative, and/or property owner's attorney.

Intended Use of the Appraisal

The intended use of the appraisal is in connection with the acquisition of right–of–way for the referenced project to be constructed by CDOT which includes Federal–aid highway funding. If necessary, this appraisal report with supporting data, analyses, conclusions, and opinions is to serve as a basis for court testimony in condemnation trial proceedings. The appraisal report will become a public record after settlement with the property owner or at the conclusion of legal proceedings if necessary.

Real Property Interest Appraised

The real property interest of the subject larger parcel before take, the part taken, and residue after take are valued as fee simple estate (title). The property is appraised "as if free and clear" of all liens, bond assessments, and indebtedness, but subject to existing easements, covenants, deed restrictions, rights–of–way of record, and excepting therefrom all rights to oil, natural gas, or other mineral resources beneath such real property. This mineral interest exception is an assignment condition.

Definition of Reasonable Market Value

For purposes of this assignment, reasonable market value is defined as:

> The value you are to determine for the property actually taken is the reasonable market value for such property on (February 17, 2013). "Reasonable market value" means the fair, actual, cash market value of the property. It is the price the property could have been sold for on the open market under the usual and ordinary circumstances, that is,

> under those circumstances where the owner was willing to sell and the purchaser was willing to buy, but neither was under an obligation to do so.
>
> In determining the market value of the property actually taken, you are not to take into account any increase or decrease in value caused by the proposed public improvement. (CJI–Civil 4th, 36:3)

Colorado Revised Statutes also addresses project influence:

> Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, shall be disregarded in determining the compensation for the property. (§24–56–117(1)(c), C.R.S.)

The Jurisdictional Exception Rule of USPAP applies to Standards Rule 1–4(f). In Standards Rule 1–4(f), anticipated public or private improvements must be analyzed for their effect on value as reflected in market actions. This is contrary to law for eminent domain appraisal. Jurisdictional exception authorities are Uniform Act, Title III, § 301(3); 49 CFR § 24.103(b); § 24–56–117(1)(c), C.R.S.; and CJI – Civ. 4th, 36:3.

See definitions of other terms and pertinent acronyms listed in the Addenda.

Effective Date of Appraisal

The effective date of appraisal, reasonable market value opinions, and compensation estimate for the proposed acquisition is as of February 17, 2013.

Date of Appraisal Report

The date of this appraisal report is March 1, 2013.

Date of Property Inspection and Owner Accompaniment

An offer was made to Mr. Joe Stevens with the City of Louisville to be present during the inspection on February 28, 2013. The offer was accepted. Mr. Stevens and two other representatives of Louisville were present as was Ms. Lisa Gerondale with CDOT. Some photographs were taken during that inspection. The property was inspected previously on February 17, 2013 and some of the photographs in this report were taken at that time.

Project Identification and Description

US Highway 36 between Denver and Boulder opened as a toll road in 1951. The toll road bonds were paid off early and the tolling infrastructure was removed in 1968. When it was built, this four–lane road had only one interchange between Denver and Boulder. In response to rapid population growth, there are now 10 interchanges along US 36 between I–25 and Boulder. However, the number of main through–lanes has remained at four.

In December on 2009, the Colorado Department of Transportation completed an Environmental Impact Statement which described Preferred Alternative improvements to the corridor which would be implemented in the future as funding became available. The main elements in the Preferred Alternative include one buffer–separated managed lane in each direction, Bus Rapid Transit (BRT) ramp stations, auxiliary lanes between most interchanges, and a bikeway. These are the first steps in implementing improvements described in the *US 36 Environmental Impact Statement*.

The project is a joint CDOT/RTD project entailing phased reconstruction of US Highway 36 including one managed lane in each direction, bike commuter trail and replacement of selected bridge structures on the corridor. What has been identified as Segment F, in which the subject property is located, impacts approximately 20 parcels in three ownerships. Segments E and F encompass approximately two miles of US 36 between 88th Street and McCaslin Boulevard. Construction began in Summer 2012 and is anticipated to be completed by 2014.

Right–of–Way Plans Relied on for Valuation Purposes

This appraisal was made under the assumption the acquisition for the proposed public improvement will occur as shown on CDOT's right–of–way plans for the project last modified on November 8, 2012. The subject acquisition is shown on pages 7.13, last modified on October 23, 2012, copy in the addenda. If any modifications are made to the plans, the appraiser reserves the right to revise the appraisal and appraisal report to reflect the change, if appropriate and necessary.

Scope of Research and Analysis

The extent of the process of collecting, confirming, and reporting data was consistent with the typical standard of care involved in consideration of the applicable approaches to value and conveying the results in a summary appraisal report. The steps taken in this analysis included extensive research into the nature of the location of the property, study of economic factors affecting the market as of the date of appraisal, physical inspection of the property, complete data research into available comparable sales, including examining recorded deeds, personal inspection and photographing of the sales, confirmation of sales with either the buyer or seller, analysis and adjustment of the sales, and conclusion of the value of the property appraised, in this case, by the sales comparison approach.

There are three approaches by which the value of real estate may be estimated: sales comparison, cost, and income capitalization approaches. USPAP Standards Rule 1–4 covers the three approaches to value.

Summary of Appraisal Problems

The principal problems considered in the appraisal process included those of the market value of the subject larger parcel and the total compensation due for the property actually being sought. Market support for the value of the subject larger parcel before the acquisition was based on the sales comparison approach.

A further consideration is the effect of the project on the value of the residue (remainder) parcel. This step included consideration of any sources of loss in value of the residue and any potential sources of benefits.

PART 2 – FACTUAL DATA – LARGER PARCEL BEFORE TAKE

Identification of Larger Parcel Before Take

Appraisal for eminent domain is unique in that it requires consideration of damages and/or benefits to the residue property after take when a partial taking occurs, thus the larger parcel from which a taking will be made must be determined.

Three conditions establish the larger parcel for the consideration of compensable damages and/or special benefits. The three conditions include the portion of a property that has:

- unity of ownership
- contiguity
- unity of use

In the subject case, the larger parcel is defined as the property owned by the City of Louisville, legally described as:

> PARCEL 5-2
>
> A parcel of land in a portion of the West ½ of Section 13, Township 1 South, Range 70 West, Sixth Principal Meridian, County of Boulder, State of Colorado, being more particularly described as follows
>
> Commencing at the West ¼ corner of said Section 13, thence along the West line of the Northwest Quarter of said Section 13 N 00° 05' 58" W , a distance of 193 37 feet, thence departing said West line N 89° 54' 02" E , a distance of 61 97 feet to a point on the property line of Centennial Valley, Second Filing (Corrected Plat) as recorded in said Boulder County under Reception No 382802, said point being the true point of beginning, thence along said property line N 00° 05' 58" W , a distance of 910 82 feet, thence S 89° 58' 53" E , a distance of 508 33 feet, thence departing said property line S 00° 25' 56" E , a distance of 952 76 feet, thence S 63° 25' 30" E , a distance of 106 20 feet, thence S 00° 09' 20" W , a distance of 214 71 feet to a point on said property line of Centennial Valley, Second Filing (Corrected Plat) and said point being on the Northerly Right-of-Way line of U S Highway 36, thence along said property line and along said Right-of-Way line N. 63° 25' 30" W , a distance of 680 18 feet, more or less to the true point of beginning, said parcel containing 12 67 acres more or less

For information, the property is assessed by Boulder County under Property Identification Number 157713002001. The County shows the parcel size to be 518,535 square feet or 11.9 acres. As shown above, the legal description defines 12.67 acres. The CDOT plan area shows 12.69 acres or 552,786 square feet. The CDOT area has been adopted for this assignment.

Location Analysis Summary

Provided in the addenda is a detailed description and analysis of the external market influences affecting the general subject area. What follows is a summary of the specific locational factors having a bearing on the subject property.

- The property is located on the northeast side of US Highway 36 (Denver–Boulder Turnpike) just east of the scenic turn–off overlooking Boulder.
- The property is environed by additional open lands, part of the Davidson Mesa open space area.

- There is a multi–tenant office complex, Corporate Center at Centennial Valley, located east of the subject. West of Centennial Parkway which leads to the Corporate Center, West Dillon Road narrows and becomes Dyer Road. This dead–ends at the westerly end of the subject parcel.
- East of the property are rural residences along Dyer Road, an extension of W. Dillon Road west of McCaslin.
- On the east side of McCaslin is the Centennial Gateway development offering a Courtyard by Marriott and a Hampton Inn along with several restaurants.
- The heart of the Town of Superior is located southeast of the subject area, offering retail, office and residential properties. Homes include single–family detached homes in addition to townhomes and condominium units.
- More details of both Superior and Louisville are provided in the general location analysis in the addenda.
- Economically developable parcels in the subject area are poised for further development when conditions warrant.

Location Map

Property Data – Larger Parcel Before Take

Site Data

Location

Northeast side US Highway 36, west of the end of Dyer Road, Louisville, Colorado. Dyer contines west to the subject property but not for vehicular access.

County Assessor Parcel Number

157713002001

Present Use

Vacant open space land with perimeter fencing.

Land Size, Shape, Dimensions, and Frontage

The larger parcel is nearly rectangular in shape, with additional land at the southeast corner. The Denver–Boulder Turnpike, US Highway 36 forms the south boundary.

The total land area per Boulder County is 518,535 square feet or 11.9 acres, while the legal description shows 12.67 acres. CDOT project plans show 12.69 acres. The CDOT area has been adopted for purposes of this appraisal.

Access

Formal vehicular access to the property is limited to enhance its value as an open space amenity.

unknown, although a gated path to the property is marked as not for vehicular access.

Street Improvements Description

Dyer Road east of the subject parcel is a two–lane asphalt–paved local street with no other improvements. Dyer Road ends east of the subject's southeasterly boundary. Further east of the property, Dyer has been widened and improved, becoming Dillon Road which intersects with McCaslin Boulevard about a mile east of the property.

US Highway 36 is a multi–lane median–divided highway with controlled access. The subject is situated northeast of the highway along its right of way.

Visibility and/or View

The property has good visibility from the highway. The land is high and provides a spectacular view of the mountain backdrop around Boulder as well as a panorama of the area to the east.

Topography

The property is sloping upward to the north from the extension of Dyer Road. Topography is shown in the property photographs provided at the end of this section.

Floodplain, Wetland, and Drainage

Boulder County flood mapping for the subject area confirms that the parcel is not in a flood hazard zone. A copy of the map is provided in the addenda. The closest flood area is the Coal Creek channel located east of the subject area.

Soil, Subsoil and Water Conditions

No information was available pertaining to the soils or subsoils at this specific property. Nearby properties have been improved with various structures for many years, tending to indicate that the soils and subsoils are conducive to development.

Easements, Encroachments, and Restrictive Covenants

Title information was provided for this assignment. Exceptions noted include the following:

10. RESERVATIONS AS CONTAINED IN WARRANTY DEED FROM THE UNION PACIFIC RAILROAD COMPANY TO EDWARD C. MASON, RECORDED AUGUST 31, 1916 IN BOOK 395 AT PAGE 191.

11. RIGHT OF WAY GRANTED TO PUBLIC SERVICE COMPANY OF COLORADO, FOR ELECTRIC TRANSMISSION LINE AND INCIDENTAL PURPOSES, RECORDED NOVEMBER 6, 1924 IN BOOK 511 AT PAGE 313.

12. RIGHT OF WAY GRANTED TO PUBLIC SERVICE COMPANY OF COLORADO, FOR ELECTRIC TRANSMISSION LINE AND INCIDENTAL PURPOSES, RECORDED NOVEMBER 6, 1924 IN BOOK 511 AT PAGE 314.

13. RIGHT OF WAY GRANTED TO PUBLIC SERVICE COMPANY OF COLORADO, FOR ELECTRIC TRANSMISSION LINE AND INCIDENTAL PURPOSES, RECORDED NOVEMBER 6, 1924 IN BOK 511 AT PAGE 330.

14. AGREEMENT BY AND BETWEEN THE WILLIAM E. RUSSELL COAL COMPANY AND THE UNION PACIFIC RAILROAD COMPANY, RECORDED APRIL 17, 1937 IN BOOK 641 AT PAGE 381.

15. ACCESS RIGHTS OF PARCEL NO. 20 AND PARCEL NO 21-A OF PROJECT NO. T-170-1(0) OF THE STATE HIGHWAY DEPARTMENT OF THE STATE OF COLORADO, RECORDED APRIL 20, 1956 IN BOOK 1010 AT PAGE 136.

16. DEED FROM WILLIAM E. RUSSELL COAL CO. TO THE STATE HIGHWAY COMMISSION OF COLORADO FOR THE BENEFIT OF THE DEPARTMENT OF HIGHWAYS, RECORDED APRIL 20, 1956 IN BOOK 1010 AT PAGE 138.

17. RIGHT OF WAY AGREEMENT TO THE TOWN OF LOUISVILLE, A MUNICIPAL CORPORATION FOR A WATER PIPELINE, RECORDED DECEMBER 22, 1956 IN BOOK 1033 AT PAGE 423.

18. SUBDIVISION DEVELOPMENT AGREEMENT FOR CENTENNIAL VALLEY SECOND FILING , RECORDED OCTOBER 25, 1979 ON FILM NO. 1089 AT RECEPTION NO. 367255.

19. ANNEXATION AGREEMENT, RECORDED DECEMBER 4, 1979 ON FILM NO. 1094 AT RECEPTION NO. 373012.

20. QUIT CLAIM DEED TO WESTERN GAS SUPPLY COMPANY FOR GAS REGULATOR SITE, RECORDED NOVEMBER 13, 1985 ON FILM NO. 1382 AT RECEPTION NO. 725631.

21. RIGHT OF WAY EASEMENT GRANTED TO WESTERN GAS SUPPLY COMPANY, RECORDED NOVEMBER 13, 1985 ON FILM NO. 1382 AT RECEPTION NO. 725632.

22. TEMPORARY EASEMENT AGREEMENT RECORDED NOVEMBER 13, 1985 ON FILM NO. 1382 AT RECEPTION NO. 725634.

23. EASEMENTS, NOTES, RIGHTS OF WAY AND DEDICATIONS AS SHOWN ON THE FINAL PLAT OF CENTENNIAL VALLEY FILING NO. 4, RECORDED NOVEMBER 13, 1985 ON FILM NO. 1382 AT RECEPTION NO. 725633.

24. EASEMENTS, NOTES, RIGHTS OF WAY AND DEDICATIONS AS SHOWN ON THE FINAL PLAT OF CENTENNIAL VALLEY FILING NO. 2- CORRECTED, RECORDED FEBRUARY 6, 1980 AT RECEPTION NO. 382802.

The photographs show the Public Service Company transmission line in a 10–foot easement coursing generally along the property's east property line and through the parcel to be acquired. The southwest corner of the parcel is also crossed by a Public Service Company easement. A 20–foot wide Louisville water line easement crosses the northwest corner of the property. The location of these easements can be seen in the copied pages from the Centennial Valley Fourth Filing plat provided in the addenda.

Utilities

Under the assumption of its physical availability for development, Xcel Energy would provide both electrical and natural gas service to the subject property. Louisville would provide water and sewer service. To the best of our knowledge, utilities are not in service to the property at this time.

Land/Site Improvements

Perimeter fencing. The fencing along the southwest line of the parcel is CDOT right of way fencing.

Functional Adequacy

This parcel is of sufficient size and adequate shape to support development, were the land legally available for development.

Adjacent and Surrounding Land Uses and Development

US Highway 36 is adjacent on the southwest. Vacant land parcels abut the property on the west, north and east sides.

Anticipated Public or Private Improvements

None are known, other than the US 36 Managed Lane project, for which a portion of the subject property is being sought for acquisition.

Nuisances and Hazards

None known; none observed during the property inspection.

Potential Environmental Hazards

This assignment is to estimate compensation for the proposed acquisition under the extraordinary assumption that the subject site is "clean." No property–specific information is available regarding potential environmental hazards. No observable evidence of sources of concern was noted during our property inspection. Appraisal of the property as "clean" has been based on adoption of an extraordinary assumption. This assumption may have affected the assignment results. In other words, if the property were found to be contaminated and the scope of work pertained to the "as–is" value of the property, the opinion of value would likely be different from that communicated in this report if remediation were necessary prior to development.

Land's Relationship to Neighboring Properties

The subject property is typical of vacant land in this area based on size and shape, although much more steeply sloping in topography than some other parcels in the general area.

Owner Improvements Data

None. South perimeter fencing is the property of CDOT. Balance of fencing is the property of the ownership.

Tenant Improvements

None known.

Use History

Vacant open land.

Sales History

There have been no open market, arm's length transactions of the property since it, together with other lands, were conveyed by Homart Development Company to the City of Louisville on July 31, 1984. The transaction was exempt from a State Documentary fee. (Special Warranty Deed No. 00725635).

The subject is parcel S–2 of the Centennial Valley General Development Plan (GDP) dated 1988, copy included in the addenda. There was a total of 296.16 acres of open space included on this GDP, 174.39 acres of single and multi–family residential land, and 320.75 acres of non–residential (retail, research/office, mixed use, and hotel) land. A 9.20–acre school site, and 81.50 acres of roads were provided. The total land in the plan was 882.00 acres.

Listing/Contract Data

The subject property is not listed for sale and is not under contract for sale.

Rental History

N/A

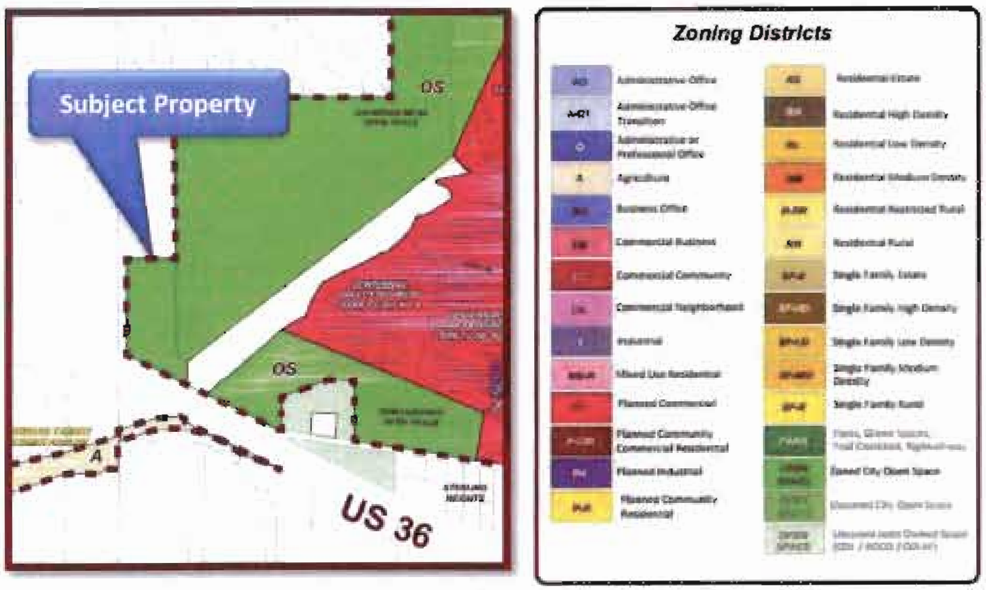
Assessed Value and Real Estate Taxes

The property is assessed for real property tax purposes by Boulder County as shown below. Note that the assessments are for 2012, for taxes payable in 2013. The property is tax exempt.

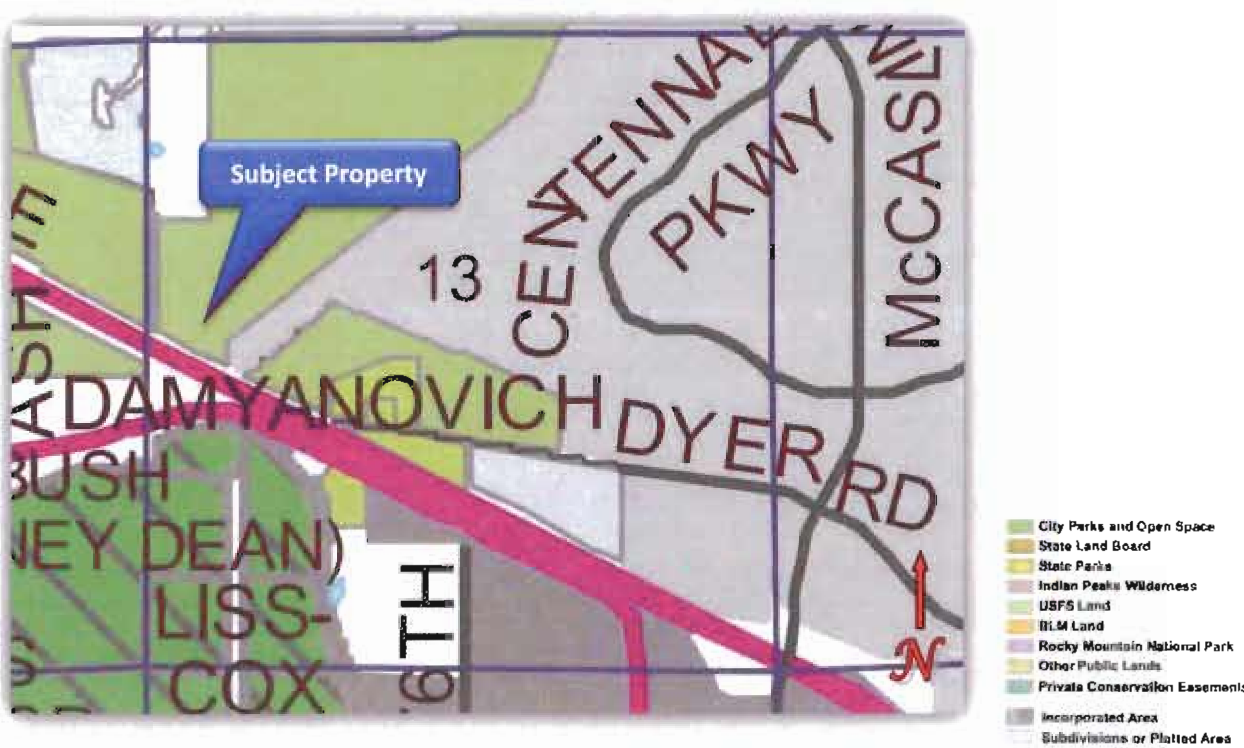
Assessed Value and Taxes		
	Actual	**Assessed**
R0084523		
Land	$316,800	$91,872
Improvements	$0	$0
Total	$316,800	$91,872
Mill Levy (2012)		0.085187
Total taxes		$7,826.30

Zoning and Other Land Use Regulations

The subject property is currently shown by Louisville's zoning map to be city–zoned open space.



According to Boulder County's July 2010 Open Space map, copy below, the property is shown as City Parks and Open Space land.



Property Photographs

View of subject property to the northwest from Highway 36

East view of subject from scenic overlook off Highway 36

(The above photographs were taken on February 28, 2013.)

(The following photographs were taken on February 17, 2013.)

Northwest view of Parcel 8C with taking area north of fence

Looking west from southeast corner of taking parcel 8C

View to the southeast from taking parcel 8C

Southeast view from northeast corner of taking parcel

Looking north from taking parcel at portion of Davidson Mesa Open Space north of subject larger parcel as defined

West view of subject larger parcel with Highway 36 at left

West end of taking parcel

PART 3 – ANALYSIS AND CONCLUSIONS – LARGER PARCEL BEFORE TAKE

Highest and Best Use

Highest and best use is the most profitable and competitive use of a property. Colorado Jury Instructions – Civil 4^{th}, 36:6 views highest and best use as follows:

> In determining the market value of the property actually taken (and the damages, if any, and benefits, if any, to the residue) you should consider the use, conditions and surroundings of the property as of the date of valuation.
>
> In addition, you should consider the most advantageous use or uses to which the property might reasonably and lawfully be put in the future by persons of ordinary prudence and judgment. Such evidence may be considered, however, only insofar as it assists you in determining the reasonable market value of the property as of the date of valuation (or the damages, if any, or the benefits, if any, to the residue). It may not be considered for the purposes of allowing any speculative damages or values.

Highest and best use is defined by the Appraisal Institute in *The Dictionary of Real Estate Appraisal*, Fifth Edition, Chicago, 2010, page 93, as:

> The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

The concept of highest and best use places emphasis on the economic capability of an existing or proposed improvement plan to show an acceptable (or the greatest) net return to the value of the underlying land. This involves development of the optimum physical structures that are legally permissible on a given site with said structures also being forced to meet the tests of economic feasibility, physical possibility, and logical appropriateness.

Analysis of the subject parcel for development to its highest and best use is tied to trends toward change in the immediate area of the property. It is also tied to the general market for properties likely to represent the highest and best use of the land, general economic trends as they affect the supply and demand for new development, and the physical and locational features inherent in the land itself.

Legal Permissibility:	The legally permitted uses of the property were outlined in the brief zoning discussion in the previous section. The use of this property is limited to open space and natural areas.
Physical Possibility:	The parcel is physically available for some possible types of development but legally prevented from alternate uses. On this basis, the property has been valued as unbuildable land.
Financial Feasibility and Maximal Productivity:	Considering the nature of the legally permitted uses, the optimum use of the land is for continued open space purposes.

Appraisal Valuation Methodology

The Sales Comparison Approach is the most reliable indicator of land value in an acceptably active market. This approach involves comparing the site being appraised with similar parcels in the general vicinity and/or with parcels purchased for similar land use, making adjustments for the various differences between the comparable sales and the subject site. After appropriate adjustments, an indication of value is developed from each sale. With consideration given to the relative importance and weight of the sales, a final estimate of land value is concluded.

The highest and best use conclusion for the subject property was that the optimum use is to continue in its current use as open space property. On this basis, we undertook research into sales and purchases of land for open space use. Most of the sales involved properties that had legally permitted economic uses to varying degrees, acquired for open space or park purposes at the discretion of the buyers. These sales formed the basis of the most closely comparable data available for this analysis.

The most active market participants in the purchasing of land for open space and other similar uses are typically cities, counties, and other government or quasi–government entities. As a result, our research was focused on contacting metropolitan area government entities to inquire into recent purchases of property for open space use. In particular, we focused on land parcels that had little or no permitted or potential use other than for open space, i.e., floodplain land and/or land limited by zoning, shape, topography, easements, etc.

The original search was not limited by land area/parcel size. This decision was made to avoid the factor of significant size differences when evaluating the market for open space parcels. Among the final group of seven sales, ranging from 19.012 to 161.39 acres, there is no clear pattern of unit (square foot) selling price differences based on parcel size.

We physically inspected, photographed, and confirmed the land sales, and secured copies of all available deeds. For the Boulder County Open Space purchases, complete copies of closing memoranda were kindly provided by Ms. Jan Burns, Real Estate Division Manager, Boulder County Parks & Open Space Department. The sales all represent open–market, arm's length transactions at market value according to Ms. Burns. Her assistance in confirmation of these purchases, some of which are relatively complex, is especially noted.

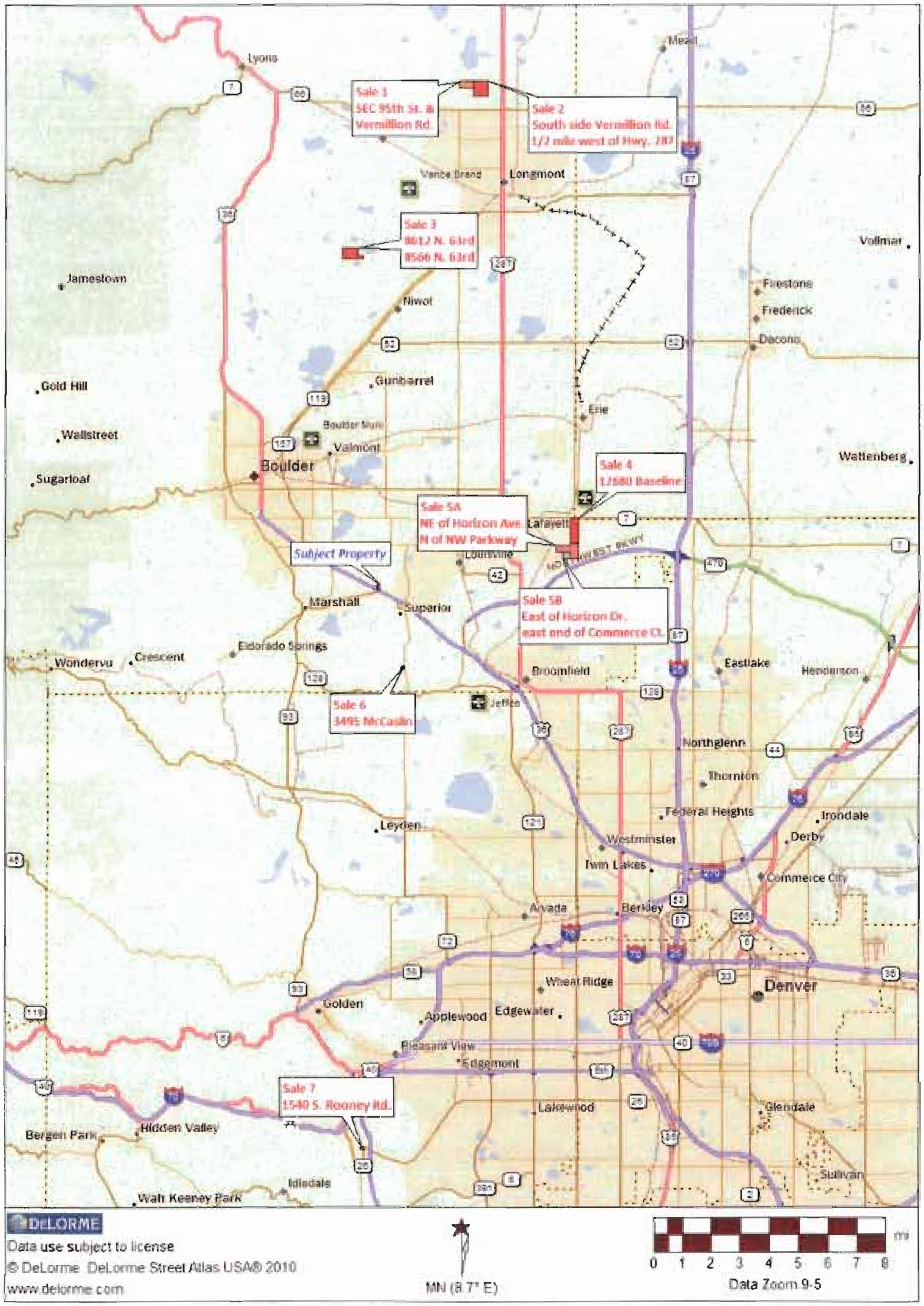
Details of the final sales are shown tabulated on the next page. The location of the sales is shown on the map following the tabulation. Photographs of the sales and individual sale data pages follow the map.

Tabulation of Sales

Summary of Land Sales

Sale No.	Sale Date	Location	Grantor	Grantee	Selling Price	Land Area-Ac.	$/Acre*	Land Area-SF	$/SF*	Land Only $/SF	Zoning	Record Data
1	May-10	Southeast corner 95th St. and Vermillion Road, Longmont	Pasqual, LLC	County of Boulder	$3,000,000	78.665	$38,136	3,426,647	$0.88	$0.80	A	3074990
2	Oct-08	Northwest of Longmont, south side of Vermillion Road, 1/2 mile west of Hwy. 287	Puma 66 Investors LLLP	County of Boulder/Longmont	$7,400,000	161.390	$45,852	7,030,148	$1.05	$0.98	A	2959950
3	Apr-08	8612 & 8566 N. 63rd Street SEC N. 63rd & Prospect Rd. Longmont	AHI Longmont Farms, LLC	County of Boulder	$5,200,000	155.778	$33,381	6,785,690	$0.77	$0.72	A	2924245
4	Sep-09	12680 Baseline Road; SEC Hwy 7 (Baseline Rd.) and east Boulder County Line Lafayette and uninc. Boulder Cty.	Mountainview Egg Farms, Inc.	City of Lafayette, und. 40% County of Boulder, und. 60%	$5,250,000	141 937	$36,973	6,185,389	$0.85	$0.79	AG	3033295
5A	Dec-05	North of Northwest Parkway, northeast of Horizon Avenue Lafayette	Roswell F. Taylor, Jr. and Dorothy L. Stephenson	County of Boulder and City of Lafayette	$4,182,091	165 768	$25,229	7,220,854	$0.58	$0.58	DR Lafayette	2748281
5B	Dec-05	East of Horizon Drive at the east end of Commerce Court Lafayette	Roswell F. Taylor, Jr. and Dorothy L. Stephenson	City of Lafayette	$1,036,000	39.620	$26,148	1,725,847	$0.60	$0.60	DR Lafayette	2748282
				Total 5A and 5B:	$5,218,091	205.388	$25,406	8,946,701	$0.58	$0.58		
6	Jan-07	3495 McCaslin Boulevard	Richard J. Verhey and Jenette M. Verhey	Boulder County Parks & Open Space	$7,600,000	155.710	$48,809	6,782,728	$1.12	$1 12	A	2833331
Note Parcel sizes of Boulder County properties were taken from closing memos provided by the County reflecting survey information In some cases, these areas vary from County assessment records. *These unit selling prices reflect land and any water rights.												
7	Dec-09	1540 S. Rooney Road, north of W. Alameda Pkwy., both sides of Rooney Road, Jefferson County	Three Dinos LLC	Jefferson County	$1,400,967	19.012	$73,690	828,142	$1.69	$1.69	CD-RM Jeffco	125314

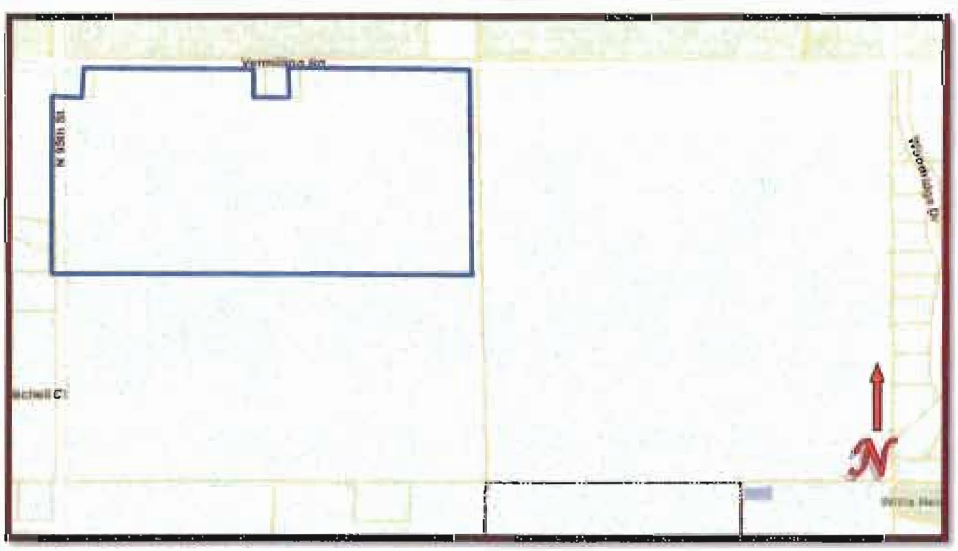
Sale Location Map



Sale Data Summaries

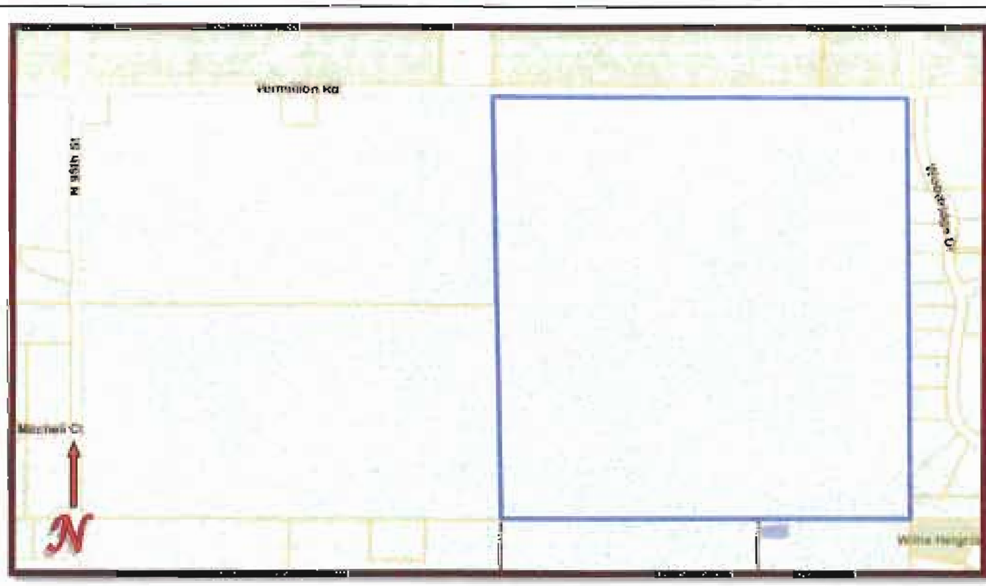
Sale No. 1

Address/Location:	Southeast corner 95th Street and Vermillion Road, Longmont	**View:**	East
		Photo By:	Bonnie D. Roerig, MAI
Date of Sale:	May-10	**Date Inspected:**	5/24/2011
Selling Price:	$3,000,000	**Zoning:**	A, Boulder County
Land Area-Acres:	78.665	**Reception Number:**	3074990
Selling Price/SF:	$0.88	**Use at time of sale:**	Vacant land
Grantor:	Pasqual, LLC	**Grantee:**	Boulder County
Comments:	Adjacent to Sale No. 2 on the west. Included one share of the capital stock of the Rough and Ready Irrigating Ditch Company.	**Confirmed with:**	Jan Burns, RE Division Mgr. Boulder Co. Parks & Open Space Department
		Date Confirmed:	5/27/2011
	Boulder County paid an additional $30,000 in option money to extend the closing a year; not applied to purchase price. Water rights valued at $27,975; land equals $0.80/SF.		



Sale No. 2

Address/Location:	Southwest corner Woodridge Drive and Vermillion Road, Longmont	**View:**	Southwest
		Photo By:	Bonnie D. Roerig, MAI
Date of Sale:	Oct-08	**Date Inspected:**	5/24/2011
Selling Price:	$7,400,000	**Zoning:**	A
Land Area-Acres:	161.390	**Reception Number:**	2959950
Selling Price/SF:	$1.05	**Use at time of sale:**	Vacant land
Grantor:	Puma 66 Investors LLLP	**Grantee:**	Boulder County/Longmont
Comments:	Adjacent on the east to The Farm at Woodridge single family development, a gated subdivision of 27 one-acre and larger lots with asking prices from $140,000 to $197,400. Price included water rights valued at approximately $500,000 leaving land value at $6,900,000 or $0.98/SF Seller retained the adjacent 100± acs. On the south, development of which County will not oppose.	**Confirmed with:**	Jan Burns, RE Div. Mgr. Bo. Co. Parks & Open Space Dept.
		Date Confirmed:	5/27/2011

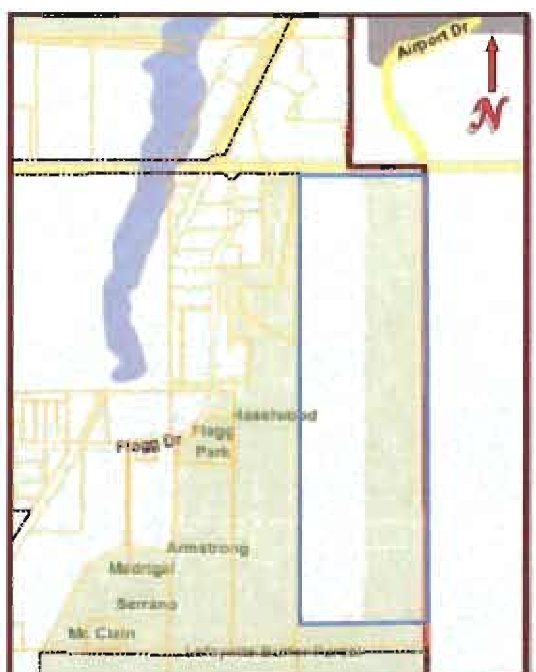


Sale No. 3

Address/Location:	8612 and 8566 N. 63rd Street Longmont	**View:**	Southeast; east
		Photo By:	Bonnie D. Roerig, MAI
Date of Sale:	Apr-08	**Date Inspected:**	5/24/2011
Selling Price:	$5,200,000	**Zoning:**	A
Land Area-Acres:	155.778	**Reception Number:**	2924245
Selling Price/SF:	$0.77	**Use at time of sale:**	Vacant land
Grantor:	AHI Longmont Farms, LLC	Grantee:	Boulder County
Comments:	County sold a conservation easement to City of Boulder. Designated Critical Wildlife Habitat in Comprehensive Plan. Purchase included improvements subsequently removed by County and water rights. Water valued at $320,000. Net land purchase to County was $0.72/SF.	Confirmed with:	Jan Burns, RE Div. Mgr. Bo. Co. Parks & Open Space Dept.
		Date Confirmed:	5/27/2011

Sale No. 4

Address/Location:	12680 Baseline Road, part in Lafayette, part in Boulder County	**View:**	South
		Photo By:	Bonnie D. Roerig, MAI
Date of Sale:	Sep-09	**Date Inspected:**	5/24/2011
Selling Price:	$5,250,000	**Zoning:**	Ag
Land Area-Acres:	141.997	**Reception Number:**	3033295
Selling Price/SF:	$0.85	**Use at time of sale:**	Egg production facility
Grantor:	Mountainview Egg Farms, Inc.	**Grantee:**	City of Lafayette, undivided 40% Boulder County, undivided 60%
Comments:	Purchased to add property to the Coal Creek Trail which links Flagg Park east of Lafayette to Erie. Designated Proposed Open Space and Significant Agricultural Land of Local Importance under Boulder County Comprehensive plan. Water rights were valued at $340,000, leaves net land value at $0.79/SF. Chicken barns to be removed by both purchasers jointly.	**Confirmed with:**	Jan Burns, RE Division Mgr. Boulder Co. Parks & Open Space Department
		Date Confirmed:	5/27/2011



Sale No. 5A

Address/Location:	North of Northwest Parkway, northeast of Horizon Avenue	**View:**	Northeast from north of Horizon Ave.
		Photos By:	Bonnie D. Roerig, MAI
Date of Sale:	Dec-05	**Date Inspected:**	5/24/2011
Selling Price:	$4,182,091	**Zoning:**	DR (Developing Resource)
Land Area-Acres:	165.768	**Reception Number:**	2748281
Selling Price/SF:	$0.58	**Use at time of sale:**	Vacant land
Grantor:	Roswell F. Taylor, Jr. and Dorothy L. Stephenson	**Grantee:**	Boulder County and City of Lafayette
		Confirmed with:	Jan Burns, RE Division Mgr. Boulder Co. Parks & Open Space Department
Comments:	Crossed by Coal Creek and Rock Creek which meet at the west end of this parcel. Price was based on $25,900/acre for 158.769 acres already annexed to Lafayette and $10,000 for the seven acres not annexed.	**Date Confirmed:**	5/27/2011

Sale No. 5B

Address/Location:	East of Horizon Drive at the east end of Commerce Court	**View:**	Northeast from Commerce Ct.
		Photos By:	Bonnie D. Roerig, MAI
Date of Sale:	Dec-05	**Date Inspected:**	5/24/2011
Selling Price:	$1,036,000	**Zoning:**	DR (Developing Resource)
Land Area-Acres:	39.62	**Reception Number:**	2748282
Selling Price/SF:	$0.60	**Use at time of sale:**	Vacant land
Grantor:	Dorothy Stephenson Lind, Roswell F. Taylor, Jr. and Dorothy L. Stephenson	**Grantee:**	City of Lafayette
		Confirmed with:	Jan Burns, RE Division Mgr. Boulder Co. Parks & Open Space Department
Comments:	Joint County and municipal open space. Boulder County has right of first refusal to purchase all or any portion of the City's 40± acres.	**Date Confirmed:**	5/27/2011

Sale No. 6

Address/Location:	3495 McCaslin Boulevard Superior	**View:**	Northwest
		Photos By:	Bonnie D. Roerig, MAI
Date of Sale:	Jan-07	**Date Inspected:**	5/24/2011
Selling Price:	$7,600,000	**Zoning:**	A
Land Area-Acres:	155.71	**Reception Number:**	2833331
Selling Price/SF:	$1.12	**Use at time of sale:**	Vacant land
Grantor:	Richard J. Verhey and Jenette M. Verhey	**Grantee:**	Boulder County
		Confirmed with:	Jan Burns, RE Division Mgr. Boulder County Parks and Open Space Department
		Date Confirmed:	5/27/2011

Sale No. 7

Address/Location:	1540 S. Rooney Road, north side of Alameda Parkway and both sides of Rooney Road	**View:**	Southeast, northwest
		Photos By:	Bonnie D. Roerig, MAI
Date of Sale:	Jan-07	**Date Inspected:**	5/24/2011
Selling Price:	$1,400,967	**Zoning:**	CD-RM, Medium Scale Retail
Land Area-Acres:	19.01	**Reception Number:**	125314
Selling Price/SF:	$1.69	**Use at time of sale:**	Vacant land
Grantor:	Three Dinos, LLC	**Grantee:**	Jefferson County
Comments:	Portion west of Rooney Road is steeply sloping upward to the west. A vacant single family home is located on the east parcel.		

The sales as a group are summarized below. For reasons discussed further in this section, Sales 5A/5B were viewed as secondary information and were not analyzed or adjusted in detail.

Range in Date of Sale:	December 2005 through May 2010
Purchasing Entities:	All of the sales were to either a municipality or county.
Zoning:	All of the sales were zoned agricultural except Nos. 5A, 5B, and 7. A number of the sale properties were situated in defined open space areas, according to Boulder County's Comprehensive Plan.
Range in Size:	Just over 19 acres to slightly more than 205 acres, all larger than the subject parcel. The primary sales were from 19.012 acres to 161.39 acres.
Price Range:	$0.58 to $1.69 per square foot, after deduction of water value, discussed below. Excluding Sales 5A/5B, the sales ranged from $0.72 to $1.69 per square foot.
Project Influence:	None of the sales was affected by the US 36 project.

There was a tendency for the earlier sales, Nos. 2, 3, and 6, to sell for higher square–foot prices than the later sales, Nos. 1, 4 and 7, after other adjustments were made to Sales 3, 6, and 7 as discussed individually below. The primary sales arrayed by date of sale are shown in the following summary:

Sale No.	Ind. SF Value	Date of Sale
6	$1.06	Jan-07
3	$0.90	Apr-08
2	$0.98	Oct-08
4	$0.79	Sep-09
7	$0.93	Dec-09
1	$0.80	May-10

By pairing the earlier sales with the later sales, downward adjustments of approximately 15% were indicated for Sales 2 and 3 and nearly 25% was indicated for Sale No. 6. Adjustments of a somewhat lower magnitude were applied to these sales and market conditions were reconsidered in the reconciliation process.

The sales did not initially develop a clear trend based on size or specific location, although after adjustment for market conditions, location, zoning and conditions of sale, a distinct difference based on size was indicated. This is shown on the following page (data arrayed by parcel size):

Sale No.	Ind. SF Value	Ac. Area
7	$0.93	19.012
1	$0.80	78.665
4	$0.79	141.997
6	$0.84	155.710
3	$0.83	155.778
2	$0.88	161.390

As the subject is closest in size to Sale No. 7 (although still smaller), and substantially smaller than all of the other sales, the larger sales were adjusted upward for size as developed by this comparison. There is an average of approximately 12% difference in the indicated square foot values based on property size. The four larger sales were adjusted upward by this amount. Sale No. 1, falling between the larger sales and No. 7, the smallest sale, was adjusted upward by 10% for size.

Our understanding from sale confirmation is that these properties were purchased based on an appraisal; the decision to proceed with the acquisition is often reflective of funding availability and priorities. Factors affecting the individual sales are discussed in detail below. Boulder County and/or local municipalities purchased the first six properties. Jefferson County purchased the last sale which, as discussed below, was included for informational purposes only.

Following discussion of the sales are brief details regarding an open space acquisition in Boulder County of a 756.6–acre parcel in April 2011 located near Sale No. 3. This sale was purchased for a net land price of $0.58 per square foot and was relied upon for additional information due to its dissimilar size to the subject property.

Sale No. 1 is located at the southeast corner of N. 95th Street and Vermillion Road adjacent to the western boundary of the PUMA 66 Open Space in Longmont. Boulder County purchased this 78.665–acre parcel on May 14, 2010 for $3,000,000 plus a $30,000 option payment paid by the County in 2009 to hold its option until 2010; this additional amount was not applied to purchase price.

The purchase included one share of the capital stock of the Rough and Ready Irrigating Ditch Company. Water rights were valued at $27,975; land thus equals $2,752,025 or $0.80 per square foot.

Two development rights were acquired by the County, although this property is located within the Longmont Planning Area and could have been annexed for much higher density development. Five TDR certificates were created at closing, four from the land and one bonus unit for the water rights and are being held by the County for future sale, or they could be converted to TDC certificates and sold in that program. The property is in winter wheat, but there is no written lease on the property.

The property was designated Significant Agricultural Lands of National Importance, except for a small area in the southwest portion of the property that is Agricultural Lands of Statewide Importance.

Sale No. 1 is informative as to the value of the subject property at approximately $0.88 per square foot, as it is the most recent comparable open space purchase available.

Sale No. 2 is the Puma 66 open space parcel consisting of 161.39 acres located on the south side of Vermillion Road one–half mile west of Highway 287. The Rough and Ready Irrigating Ditch runs north–south through the western portion of the property leading to Terry Lake and divides the larger irrigated portion of the property to the west from the smaller dryland portion of the property to the east.

This purchase by Boulder and Longmont closed October 14, 2008 for $7,400,000 (Longmont's part was $2,000,000) which included water rights value, not broken out separately in the purchase price. The water was valued at approximately $500,000, leaving land value at $6,900,000 or $0.98 per square foot. The property was approved for annexation to Longmont in July 2007 and could have been developed with approximately 130 homes.

The purchase included cross–conservation easements between Boulder County and Longmont. The County acquired 1.25 shares of Rough and Ready Irrigating Ditch Company that will be tied to County's parcel in the conservation easement granted to Longmont. Longmont also acquired 1.25 shares, tied to its parcel by the conservation easement granted to the county.

Twelve transferrable development rights (TDRs) were created, nine from the land plus three bonus TDRs for the water rights, currently valued at $80,000 each. These are being held by the County and their future sale would reduce the County's purchase price by at least $960,000.

The sellers retained approximately 100 acres south of and adjacent to the sale parcel. The County signed a Covenant at closing acknowledging that the Seller is annexing its adjacent property to the south into the City of Longmont and agreeing that the County will not oppose development of the seller's adjacent property and that the County will maintain the property it purchased in a reasonably safe and aesthetically pleasing condition.

The majority of the sale property is designated Significant Agricultural Lands of National Importance, except for a small area in the northeast portion of the property that is Agricultural Lands of Statewide Importance. There is a verbal year–to–year lease for agricultural purposes.

Boulder County agreed to convey a floodwater easement to Longmont on that portion of the County's Parcel that Longmont's flood berm could cause to be submerged in a flood event, likely to be all of the land located west of the Rough and Ready Ditch. The floodwater easement would only allow for the use of the land for flood water purposes and would not allow any structures or alteration of the land.

There are two existing underground pipeline easements that run across the northern property boundary: a water pipeline easement granted to the Northern Colorado Water Conservancy District, and a gas pipeline easement granted to Public Service Company.

There is existing access from Vermillion Road on a farm road that runs north–south through the eastern portion of the property. There is also a dirt road that runs south from Vermillion Road on the east side of the Rough and Ready Ditch for access to the dryland portion of the property located east of the ditch.

The sale parcel consists of gently rolling grassland. The property is roughly square in shape and situated adjacent to The Farm at Woodridge single family residential development. This gated subdivision provides for 27 one–acre and larger lots with asking prices from $140,000 to $197,400. Several homes have been developed in the subdivision to date.

Sale No. 2, adjusted downward for market conditions and upward for smaller size, indicated $0.99 per square foot.

Sale No. 3 consists of a total land area of 155.778 acres located at the southeast corner of N. 63rd and Prospect Road in Longmont. Boulder County purchased the fee interest in the property and the City of Boulder purchased a conservation easement interest from the County. This property is designated critical wildlife habitat under the Boulder County Comprehensive Plan. The closing date was April 17, 2008.

The property included 153.033 acres in fee interest, 1.756 acres, Lot 2 in fee (could be sold later) plus 0.989 acres in Lot 1 in conservation easement. The County sold a house on Prospect Road back to AHI on a 0.989–acre lot at the closing for which AHI paid $220,000. This price apparently included a development right. The house was sold subject to a conservation easement. The County received approval to create a second lot of approximately 1.75 acres around a house located along N. 63rd Street which might be sold off at a future date.

Water rights acquired included 80 shares of Left Hand Ditch Company and an 80/80 interest in New Table Mountain Ditch. The City and County shared the 80 shares of Left Hand Ditch equally; the City's 40 shares are tied to the property under the conservation easement. The City and County each own an undivided 50% of the New Table Mountain shares. Water Value was $320,000. Land value (net to county) is $0.72 per square foot. All of the water rights are tied to the property by a Restrictive Covenant entered into with the seller.

There were four development rights acquired, one of which was sold back to AHI, the seller, along with the Prospect Road House. A total of seven TDRs created at closing will be held by the County for future sale. The County is entitled to keep the proceeds from any sale of the TDRs to help cover the County's costs for demolishing the turkey barns and restoring the property. There were 31 agricultural buildings on the property, of which 28 were turkey barns. In February and March 2009, the County had 25 of the turkey barns removed from the property.

Our understanding is that the TDRs influenced the land purchase price downward, for which it is appropriate to make an upward adjustment. Based on the indications of value from the other sales that were adjusted, it appears that the adjustment is between +25% and +30%. We applied +25%. After additional adjustments for market conditions and parcel size, Sale No. 3 indicated $0.93 per square foot for the subject property.

Sale No. 4 occurred on September 30, 2009, making it one of the two most recent transactions available for analysis. The property is generally located at the southwest corner of Highway 7 (Baseline Road) and the east Boulder County line. The parcel is referred to as the Mountainview Egg Farm property after the name of the selling entity. The sale consisted of 141.997 acres of land with one decreed commercial water well, four producing wells and two tank batteries located on the property. The total price was $5,250,000, comprised of a joint purchase with City of Lafayette (40%). Boulder County acquired 60%. The City wishes to increase their ownership interest in the property over time.

Water rights were valued at $340,000, which leaves net land value at $4,910,000 or $0.79 per square foot of land area. Improvements included five chicken barns totaling approximately 100,000 square feet. Boulder and Lafayette have agreed to share in the cost of removing the barns subject to funding.

The City and County exchanged reciprocal conservation easements over each other's properties. When Lafayette pays the additional $1,000,000 to Boulder County, the easements will be amended to reflect the change in ownership. The purchase included four development rights. The property was bought subject to a grazing lease that has a 60–day termination clause. The land was designated Proposed Open Space and Significant Agricultural Land of Local Importance under the Boulder County Comprehensive Plan.

Sale No. 4 was adjusted for site size differences, resulting in $0.93 per square foot as the indicated value for the property being appraised.

Sale 5A/5B consists of a total of 205.388 acres in two consecutive transactions that closed on December 9, 2005. The property is located generally east of Lafayette at 120th Street and South Boulder Road. These parcels are joint County and Municipal Open Space with a substantial floodplain/floodway crossing through Sale 5A. This is the confluence of Rock Creek and Coal Creek, at the westerly end of this 165.768–acre parcel.

The City and County jointly purchased 165.768 acres **(Sale 5A)**, plus the City of Lafayette purchased an additional 40 acres, (**Sale 5B**) over which the County has a first right of refusal. The seller was paid

$5,218,091.20, which includes $1,036,000 paid by Lafayette for the 40 acres they purchased alone. The County's share was $2,091,045.60. The purchase price was calculated at $25,900/acre for the 158.768 acres that were already annexed to Lafayette, and $10,000/acre for the seven acres that were not annexed. On a melded basis, this purchase equals $0.58 per square foot for the total 205–plus acres comprising both sales.

There are five oil and gas wells on the property under two leases that were executed in 1986 and 1991. The sellers will receive the royalties from the oil and gas wells for a period of 10 years following closing.

The City and County exchanged reciprocal conservation easements over their 50% undivided interests in the 165.768 acres. The unannexed seven acres are shown as proposed open space on the County Open Space map and some portion is designated agricultural lands of local importance. The annexed 198.768 acres do not have designations under the County comprehensive plan. The County has a right of first refusal to purchase all or any portion of the City's 40–acre parcel.

This purchase included a 40–foot wide easement across the Mountainview Egg Farms property to the north for vehicles, livestock, bicycles and pedestrian traffic, from State Highway 7 south to the sale property.

Sales 5A/5B were not analyzed and adjusted in detail for this assignment, as the transaction is nearly seven years old and the total area is substantially larger than the subject property. It is important to be aware of this sale, however, particularly in the context of analyzing and supporting market conditions trends as they pertain to open space acquisitions.

Sale No. 6 is located on the west side of McCaslin Boulevard between Highway 128 and Coalton Drive, surrounded on three sides by Boulder County Open Space. There is a church holding to the north and private property to the east. A small portion of Superior abuts the northeast property line along McCaslin Boulevard. Boulder County purchased the fee simple interest on January 25, 2007. At a simultaneous closing the City of Boulder and the Town of Superior purchased a conservation easement from the County. Other than a water well which supplied water to the house, no water rights were acquired. The County's share of the total $7,600,000 purchase price was $3,800,000; the City's share was $1,900,000 for the conservation easement. The price was confirmed to consist entirely of land value at $1.12 per square foot. The property was annexed to the Town of Superior and had the likely potential for urban level development. There were no TDRs involved with this purchase.

There is one house on the property. Other structures include a metal barn, a manufactured house and several storage sheds. The seller was granted the right to continue to live on the property for one year from the date of closing.

Prior to its annexation, Sale No. 6 was designated as part of the Boulder Mountain Park/South Boulder Conservation Area and Proposed County Open Space. A portion of the property along McCaslin Boulevard is designated a Conceptual Trail Corridor under the current Comprehensive Plan.

Sale 6 is the oldest sale in the group, for which a downward adjustment was made. A further downward adjustment was made for purchaser motivation, as the County was desirous of completing this acquisition to further solidify its open space holdings in this area. An upward adjustment was made for larger size, as discussed. These adjustments resulted in an indication of value of $0.94 per square foot for the subject land.

Sale No. 7 is the only sale not located in Boulder County. It consists of 19.01 acres along the east and west sides of Rooney Road north of W. Alameda Parkway near Dinosaur Ridge. This property was acquired in January 2007 by Jefferson County for $1.69 per square foot. The land includes steeply sloping ridges in its westerly portion and more level and gentle slopes to the east. The sale also included a single family home, now vacant. The property is zoned CD–RM, Medium Scale Retail, by Jefferson County. As one of the three 2009 and 2010 sales, No. 7 was not adjusted for market conditions. It was adjusted downward for its superior zoning, providing for medium scale retail economic development and it was also adjusted downward for superior locational characteristics. With these considerations, Sale No. 7 indicated $0.93 per square foot for the subject.

For information, the adjustments to the sales discussed in the preceding paragraphs are quantified in the tabulation below:

Summary of Adjustments						
SALE NO.:	1	2	3	4	6	7
$/SF	$0.80	$0.98	$0.72	$0.79	$1.12	$1.69
ELEMENTS OF COMPARISON						
1. Property rights conveyed	0%	0%	0%	0%	0%	0%
2. Financing	0%	0%	0%	0%	0%	0%
3. Conditions of sale	0%	0%	25%	0%	-5%	0%
4. Market conditions	0.0%	-10.0%	-10.0%	0.0%	-20.0%	0.0%
Adjusted Selling Price	$0.80	$0.88	$0.83	$0.79	$0.84	$1.69
5. Location	0%	0%	0%	0%	0%	-15%
6. Physical characteristics						
Size/land area	10%	12%	12%	12%	12%	0%
Zoning	0%	0%	0%	0%	0%	-30%
7. Other factors	0%	0%	0%	0%	0%	0%
Net % Adjustment:	10.0%	12.0%	12.0%	12.0%	12.0%	-45.0%
Net $ Adjustment:	$0.08	$0.11	$0.10	$0.09	$0.10	-$0.76
Indication for Subject:	**$0.88**	**$0.99**	**$0.93**	**$0.88**	**$0.94**	**$0.93**

For information, all six sales after adjustment averaged $0.93 per square foot, ranging from $0.88 to $0.94 per square foot. As discussed earlier in this section, it is appropriate to revisit the market conditions adjustments made to Sales 2, 3, and 6. Arrayed by date of sale, after adjustment, the following resulted:

Sale No.	Ind. SF Value	Date of Sale
6	$0.94	Jan-07
3	$0.93	Apr-08
2	$0.99	Oct-08
4	$0.88	Sep-09
7	$0.93	Dec-09
1	$0.88	May-10

On this basis, it appears that the market conditions adjustment was slightly understated (approximately 5% on average) and that it is appropriate to place greater weight on the more recent sales, Nos. 1, 4, and 7. These sales indicated $0.88 and $0.93 per square foot, averaging $0.90 per square foot.

After consideration of all the sales data and analysis completed in this report, we concluded a final value for the property of $0.90 per square foot. This estimate develops the following total parcel value.

Larger Parcel Land Value				
552,786	SF @	$0.90	/SF =	$497,507
			Rounded to:	$497,500

PART 4 – FACTUAL DATA – PART TAKEN

Identification of the Part Taken

Land Taking

The area to be acquired, shown on various exhibits with this report as "Parcel 8C" consists of a triangular parcel of land located northeast of and adjacent to the existing right of way line of US Highway 36. The parcel consists of 21,969 square feet or 0.504 acre, more or less.

The length of the taking parcel along the highway right of way is 663.62 feet. The angled east end is 126.38 feet. The northerly line is 559.90 feet. The parcel to be acquired is legally described in the addenda and copies of the easement exhibit are also provided there.

Permanent Easement Taking

None.

Improvements Taking

None; the perimeter fencing along the existing right of way line is property of CDOT and will be replaced with a similar fence as part of the project, connecting with the remaining perimeter fencing belonging to the ownership as and if needed.

PART 5 – ANALYSIS AND CONCLUSIONS – PART TAKEN

Value of Part Taken as Part of Larger Parcel

Land Value of Part Taken

At the concluded land value developed previously, the value of the fee taking is:

Value of Land Part Taken					
Parcel 8C	21,969	SF @	$0.90	/SF =	$19,772
				Rounded to:	$19,775

Owner Improvements Contributory Value of Part Taken

None

Easement Value of Part Taken

None

Summary of Value of Part Taken

The value of the part taken as part of the larger parcel appraised is summarized as follows:

Value of Part Taken						
Lane Value of Part Taken:						
Parcel	Area	Unit Value	Rate (%)	Value	Total Value	
8C	21,969 SF	$0.90/SF		$19,772		
Land Value of Part Taken					$19,775	
Total Value of Part Taken						**$19,775**

PART 6 – RESIDUE VALUE BEFORE TAKE

For purposes of measuring losses or benefits to the residue, it is necessary to compute the residue value before the taking. The residue value before take is a mathematical step that is simply the value of the larger parcel (land plus affected improvements) minus the value of the part taken, including fee takings, easements and affected improvements, but excluding any temporary easements. This is shown below:

Larger Parcel Value Before Take:	$497,500
Land Acquisition:	$19,775
Remainder Land Value Before the Taking:	$477,725

This is the value level that should be reflected in the residue parcel, if there are no damages or benefits resulting from the taking. If the residue value is less than this sum, the residue has been damaged to that extent; if the residue value is greater than this amount, the residue has benefited. The value of the residue property after the taking is addressed in the next section.

Summary of Residue Value Before Take

Residue Value Before Take		
Larger Parcel Value Before Take	$497,500	
Less: Value of Part Taken	$19,775	
Residue Value Before Take		**$477,725**

PART 7 – FACTUAL DATA – RESIDUE AFTER TAKE

According to the CDOT US 36 Express Lanes/Bus Rapid Transit Project web site, US 36 between Denver and Boulder opened as a toll road in 1951. The toll road bonds were paid off early and the tolling infrastructure was removed in 1968. When it was built, this four lane road had only one interchange between Denver and Boulder. In response to rapid population growth, there are now 10 interchanges along US 36 between I–25 and Boulder. However, the number of main through–lanes has remained at four.

In December on 2009, the Colorado Department of Transportation completed an Environmental Impact Statement which described Preferred Alternative improvements to the corridor which would be implemented in the future as funding became available. The main elements in the Preferred Alternative include one buffer–separated managed lane in each direction, Bus Rapid Transit (BRT) ramp stations, auxiliary lanes between most interchanges, and a bikeway.

These two projects will be the first steps in implementing improvements described in the US 36 Environmental Impact Statement.

The subject acquisition property is required for improvements to be constructed by CDOT in conjunction with the Managed Lane project along US Highway 36 between Denver and Boulder. The land is needed for toe of slope/top of cut for lateral/adjacent support for the highway and appurtenances.

The remainder property will be unaffected except for its smaller size by approximately 4%. The residue will continue in its open space/natural use.

PART 8 – ANALYSIS AND VALUATION – RESIDUE AFTER TAKE

See the larger parcel description and analysis before the take for a more detailed discussion of highest and best use. The remainder site size will be reduced by 3.97% to 530,817 square feet or 12.186 acres. The residue will be unaffected by the acquisition and will remain available for open space use after the easement acquisition. From the standpoint of the nature of the property, the project improvements will not result in diminution to the remainder property.

The residue value after the acquisition is at least at the level it was before the taking. There is no support for possible benefits and none are anticipated.

Thus, the value of the residue after the taking is as shown below (note that the residue value reflects a very slight difference from the mathematical residue value before the acquisition due to rounding). Rounded figures are also shown.

Residue Land Value-After			
530,817 SF @	$0.90 /SF =		$477,735
		Conclude:	$477,725

Reconciliation – Residue Value After Take

Residue Value After Take		
Land Value – Residue After Take	$477,725	
Improvements Value – Residue After Take		
Residue Value After Take		**$477,725**

PART 9 –ANALYSIS of DAMAGES or BENEFITS

Residue Land Value Before vs. After

When estimating the value of the residue after the taking, we considered first any changes that might have occurred to its highest and best use. The optimum use of the land continues to be for open space purposes. Access will be unchanged or reconfigured and the fencing will be restored. On this basis, there is no support for any losses in value due to the project.

Study of the project has led us to the conclusion that it will not create a source of negative impacts to either the neighborhood generally, or to the subject property. We found no market–derived basis upon which to measure enhanced value of the remainder at this time. We have been unable to measure specific or special benefits that will inure to the subject property by virtue of the project.

Residue Value Before Take		
Larger Parcel Value Before Take	$497,500	
Less: Value of Part Taken	$19,775	
Residue Value Before Take		**$477,725**

Residue Value After Take		
Site Value – Residue After Take	**$477,725**	
Improvements Value – Residue After Take		
Residue Value After Take		**$477,725**

Indicated Compensable Damages to Residue After Take	**$–0–**

Indicated Specific Benefits to Residue After Take	**$–0–**

Compensable Damages — Curable (Net Cost to Cure)

None. The project is committed to replacement of fencing along the new right of way for US Highway 36 and it is expected that this will include connections with the remainder of the fencing around the residue land as and where needed.

PART 10 – COMPENSATION SUMMARY

Explanation of Compensation

The elements of compensation concluded in this appraisal consisted of the land to be acquired, as summarized below.

Compensation Estimate Summary

Value of Part Taken		
Land Value of Part Taken	$19,775	
Easement Value of Part Taken		
Owner Improvements Contributory Value of Part Taken		
Tenant Improvements Contributory Value of Part Taken		
Total Value of Part Taken, rd.		**$19,775**
Compensable Damages and/or Offsetting Special Benefits		
Compensable Damages/Curable/Net Cost to Cure		
Compensable Damages/Incurable (No Cost to Cure)		
<Less> Special Benefits (offset up to 100% of incurable damage)		
= **Remaining Special Benefits (offset up to 50% value part taken)**		
Total Rental Value of Temporary Easement		
Compensation Estimate		**$19,775**

EXHIBITS and ADDENDA

Acronyms and Definitions

Acronyms

Following are certain acronyms and definitions of significant terms used in this appraisal report. Sources and authorities for the following definitions are shown as text–notes.

AC – acre

CDOT – Colorado Dept. of Transportation

PSF or SF – per square foot; square foot

ROW or R.O.W. – Right of Way

Definitions

Benefits (Specific Benefits) – "...any benefits to the residue are to be measured by the increase, if any, in the reasonable market value of the residue due to the (construction) (improvement) of the (...proposed improvement). For anything to constitute a specific benefit, however, it must result directly in a benefit to the residue and be peculiar to it. Any benefits which may result to the residue but which are shared in common with the community at large are not to be considered." (CJI–Civ. 4th, 36:4)

Compensation – "...ascertain the reasonable market value of the property actually taken and the amount of compensable damages, if any, and amount and value of any specific benefit, if any, to the residue of any land not taken." (CJI–Civ. 4th, 36:1)

"(a) For highway acquisition, the right to compensation and the amount thereof, including damages and benefits, if any, shall be determined as of the date the petitioner is authorized by agreement, stipulation, or court order to take possession or the date of trial or hearing to assess compensation, whichever is earlier, but any amount of compensation determined initially shall remain subject to adjustment for one year after the date of the initial determination to provide for additional damages or benefits not reasonably foreseeable at the time of the initial determination. (b) If an entire tract or parcel of property is condemned, the amount of compensation to be awarded is the reasonable market value of the said property on the date of valuation. (c) If only a portion of a tract or parcel of land is taken, the damages and special benefits, if any, to the residue of said property shall be determined. When determining damages and special benefits, the appraiser shall take into account a proper discount when the damages and special benefits are forecast beyond one year from the date of appraisal. (d) In determining the amount of compensation to be paid for such a partial taking, the compensation for the property taken and damages to the residue of said property shall be reduced by the amount of any special benefits which result from the improvement or project, but not to exceed fifty percent of the total amount of compensation to be paid for the property actually taken." (§ 38–1–114(2), C.R.S.)

Damages – "...Any damages are to be measured by the decrease, if any, in the reasonable market value of the residue, that is, the difference between the reasonable market value of the residue before the property actually taken is acquired and the reasonable market value of the residue after the property actually taken has been acquired. Any damages which may result to the residue from what is expected to be done on land other than the land actually taken from the respondent and any damages to the residue which are shared in common with the community at large are not to be considered." (CJI–Civ. 4th, 36:4)

Easement – "An easement can generally be described as an interest in land of another entitling the owner of that interest to a limited use of the land in which it exists, or a right to preclude specified uses

in the easement area by others. An easement is an interest less than the fee estate, with the landowner retaining full dominion over the realty subject only to the easement; the landowner may make any use of the realty that does not interfere with the easement holder's reasonable use of the easement and is not specifically excluded by the terms of the easement." (Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, Washington, D.C., 2000, p.63)

Fee Simple Estate (Title) – "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat." (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Chicago, 2010, p. 78) **Note:** as an assignment condition all mineral rights are excepted from any fee simple property interest appraised in this report.

Larger Parcel – "That tract, or those tracts, of land which possess a unity of ownership and have the same, or an integrated, highest and best use. Elements of consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use." (Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, Washington, D.C., 2000, p. 17)

Part Taken (Partial Taking) – "The taking of part of any real property interest for public use under the power of eminent domain; requires the payment of compensation." (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Chicago, 2010, p. 143)

Residue (Residue) – "'Residue' means that portion of any property which is not taken but which belongs to the respondent, ..., and which has been used by, or is capable of being used by, the respondent, together with the property actually taken, as one economic unit." (CJI–Civ. 4th, 36:4)

Restoration Cost to Cure (Cost to Cure) – "In certain circumstances, damage to the residue may be cured by remedial action taken by the owner. The cost to cure, however, is a proper measure of damage only when it is no greater in amount than the decrease in the market value of the residue if left as it stood. When the cost to cure is less than the severance damages if the cure were not undertaken, the cost to cure is the proper measure of damage, and the government is not obligated to pay in excess of that amount." (Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, Washington, D.C., 2000, p. 51)

Slope Easement – "A 'slope easement' is an easement reserved to the condemnor to use whatever portion of the property is needed to provide lateral support for a roadbed, and those surface rights to property which are not required for lateral support are retained by landowner for any usage which does not interfere with condemnor's slope easement." (State Dept. of Highways v. Woolley, 696 P.2d 828, Colo. App. 1984)

Temporary Easement – "An easement granted for a specific purpose and applicable for a specific time period. A construction easement, for example, is terminated after the construction of the improvement and the unencumbered fee interest in the land reverts to the owner." (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Chicago, 2010, p. 195)

Compensation due for a temporary easement is the reasonable rental value for the time the easement is used. (State Dept. of Highways v. Woolley, 696 P.2d 828, Colo. App. 1984)

Colorado 7–Step Partial Take Appraisal Process – Eminent Domain

The purpose of this appraisal was to develop a compensation estimate for the reasonable market value of the property actually taken; compensable damages, if any, to the residue after take; and special benefits, if any, to the residue after take. Referred to as the modified state before–and–after rule, steps to develop a compensation estimate for the acquisition of real property are:

1. Larger Parcel Value Before Take

The first step in the appraisal process is to develop the reasonable market value of the subject larger parcel had there been no taking or any effect on value due to the proposed transportation project. The Jurisdictional Exception Rule of USPAP applies to Standards Rule 1–4(f) in this step. In Standards Rule 1–4(f), anticipated public or private improvements must be analyzed for their effect on value as reflected in market actions. This is contrary to law for eminent domain appraisal. Jurisdictional exception authorities are Uniform Act, Title III, § 301(3); 49 CFR § 24.103(b); § 24–56–117(1)(c), C.R.S.; and CJI – Civ. 4th, 36:3.

"Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, shall be disregarded in determining the compensation for the property." (§24–56–117(1)(c), C.R.S.)

2. Value of Part Taken (including easements acquired)

The second step involves the same USPAP Jurisdictional Exception Rule as in step 1. In this step, the reasonable market value of the land or property actually taken is developed. The value of land taken is based on its value as part of the whole or the larger parcel. Value of improvements taken is based on their contributory value to the larger parcel. (49 CFR § 24.103(a)(2)(iv), §§ 38–1–114(2) and 115(b), C.R.S., and CJI–Civil 4th, 36:3)

3. Residue Value Before Take

The third step is the reasonable market value of the residue before the property actually taken has been acquired. This step sets the initial basis for the ascertainment of damages and/or special benefits to the residue. The reasonable market value of the residue before the take is the mathematical difference of step 1 (larger parcel value before take) minus step 2 (value of part taken).

4. Residue Value After Take (including encumbered easement areas acquired)

The fourth step is to develop the reasonable market value of the residue after the real property actually taken has been acquired and proposed project improvements have been constructed. In this step, the reasonable market value of the residue after the taking is no longer subject to the Jurisdictional Exception Rule to USPAP Standards Rule 1–4(f). Any decrease or increase in the reasonable market value, if any, of the residue after take due to the proposed public project needs analyses. The influence of the proposed public improvement is considered except for any damages or benefits shared in common with the community at large.

The market value of the residue after take is predicated on the "as is" or "uncured" condition of the residue after the acquisition. Any decrease or increase in value of the residue after take is based on market evidence. Damage to the residue must be established before a cost to cure can be considered to mitigate some or all damage. Special benefits may accrue to the residue after take as a result of the project.

5. Analysis of Damages and/or Benefits

6. Fifth step in the process involves analysis of damages and benefits to the residue after the take. Depending upon the extent of damages and cost to cure, performance of another appraisal of the "cured" residue after take may be required (see *Feasibility of Cost to Cure* below). The damages and benefits analyses might include the following elements:

- Indicated Damages and/or Benefits
- Compensable Damages and/or Offsetting Special Benefits
- Compensable Damages – Incurable
- Compensable Damages – Curable (Net Cost to Cure) including:
- Cost to Cure
- Feasibility of Cost to Cure Damages (Possible Re–appraisal of Residue After Cure*)
- Net Cost to Cure
- Indicated Offsetting Special Benefits – Residue Value As Cured

*If damage to the residue is substantial and the cost to cure is not minor, an appraisal of the residue as cured might be necessary to analyze the feasibility of the cure. If the cost to cure is minor, an analysis of the feasibility of the cost to cure damages might not be required.

7. Rental Value of Temporary Easements

Sixth step in the process is the estimate of reasonable rental value for the time the temporary easement is used. A temporary (construction) easement is used for a limited time period and is terminated after the construction of the highway improvements. The unencumbered fee interest in the land reverts to the owner at the time of termination.

8. Estimate of Compensation Summary

The final step is a compensation summary. The compensation summary includes the following:

- Reasonable Market Value – Land and/or Real Property Taken
- Compensable Damages – Curable – Net Cost to Cure (residue after take/as is)
- Compensable Damages – Incurable (residue after take/as is))
- Offsetting Special Benefits (residue after take/"as is" or "as cured")
- Temporary Easements Rental Value
- Total Compensation Estimate

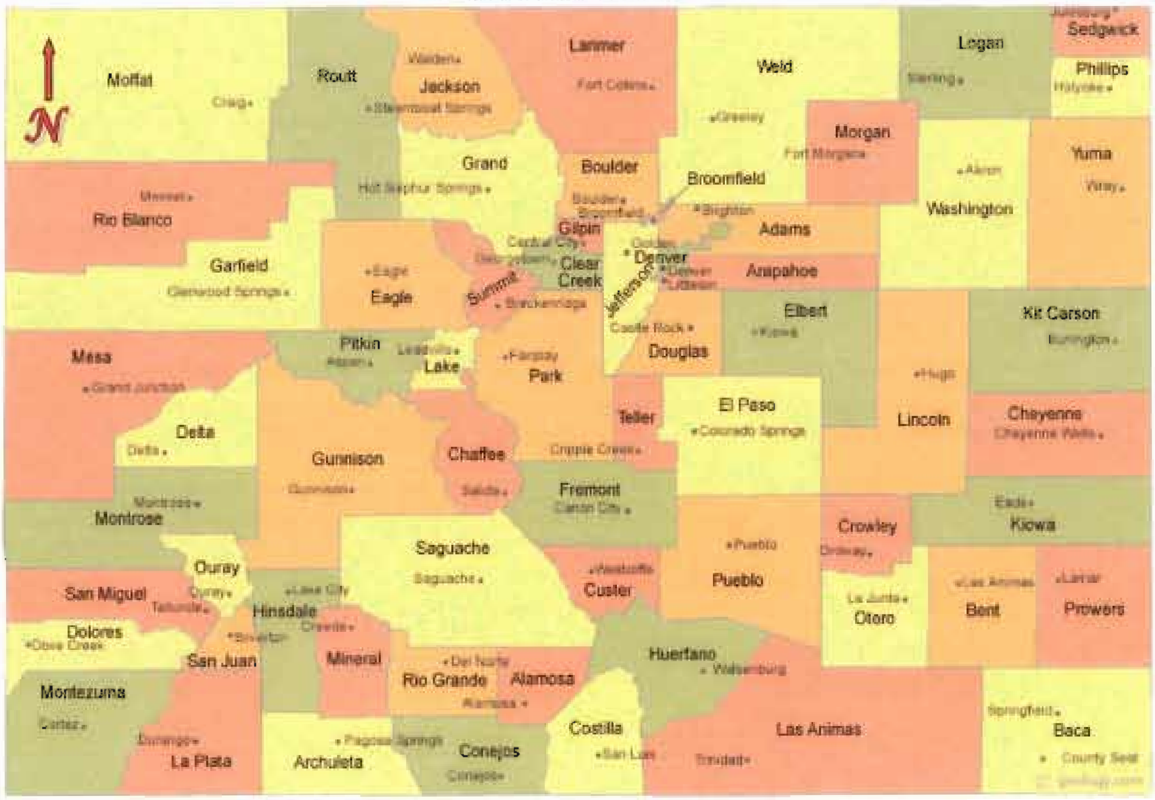
As stated in § 38–1–114(2)(d), C.R.S., "In determining the amount of compensation to be paid for such a partial taking, the compensation for the property taken and damages to the residue of said property shall be reduced by the amount of any special benefits which result from the improvement or project, but not to exceed fifty percent of the total amount of compensation to be paid for the property actually taken."

Overview of Location

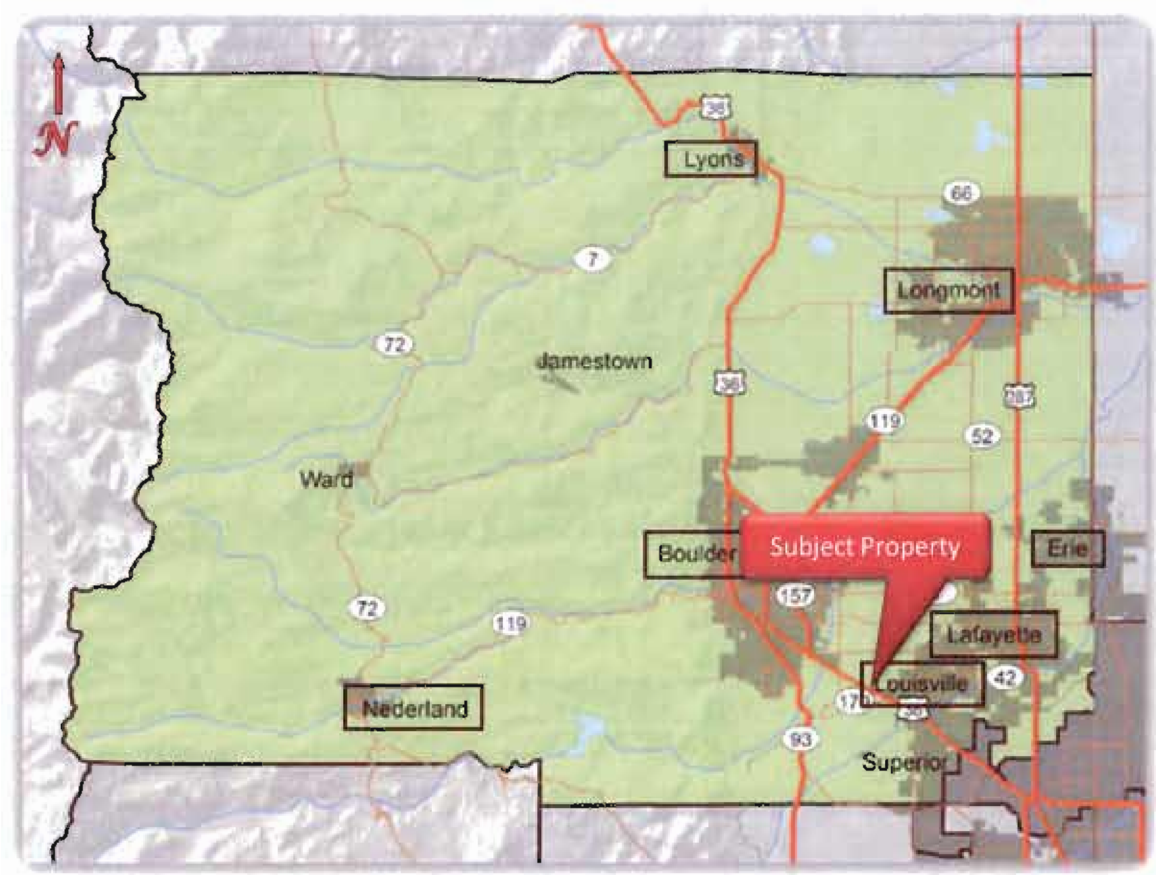
The subject property is located in the City of Louisville, Boulder County on the northeast side of US 36 (the Boulder Turnpike) west of Dyer Road.

The exact location of the subject property is shown in various locations throughout this report.

Colorado Counties Map

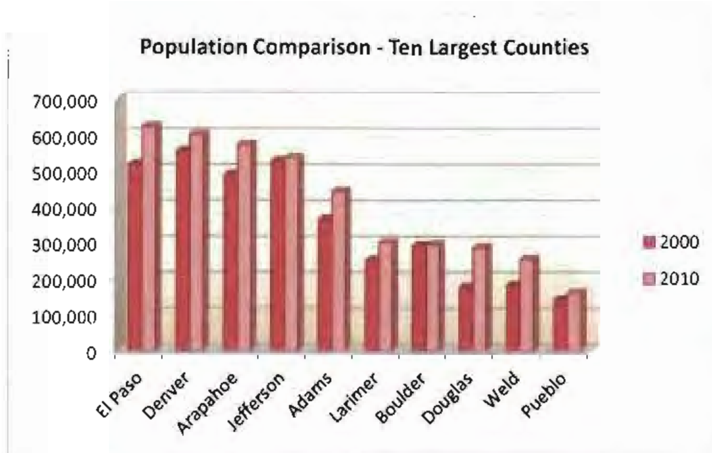


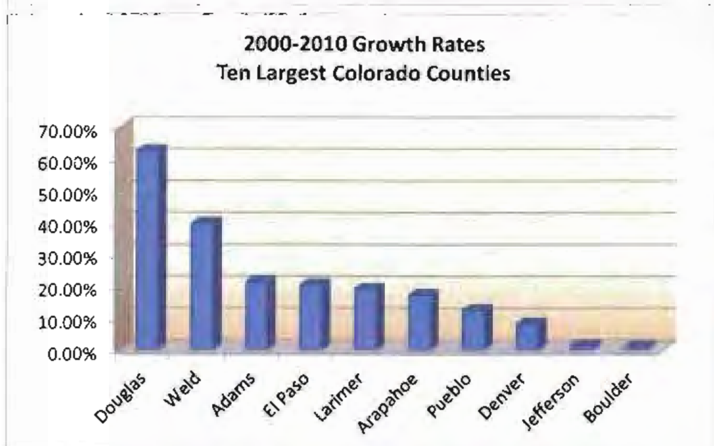
Boulder County



Boulder County ranks 51st in land area of the 64 Colorado counties, with a total of 751.37 square miles, of which 8.91 square miles, or 1.19%, are water. One of the original 17 counties created by the Colorado Territory in 1861, Boulder County was named after Boulder City and Boulder Creek. Its borders remain essentially the same as the original county, except for 27.5 square miles of its southeastern corner which became part of the City and County of Broomfield in 2001. Boulder County is the 7th largest county in population in the state, and of the ten largest, it has had the slowest growth rate from 2000 to 2010, according to census data. If these trends continue, it is likely that Douglas and possible Weld Counties will overtake Boulder by the next census.

County	2000	2010	Increase	% Growth
El Paso	516,929	622,263	105,334	20.38%
Denver	554,636	600,158	45,522	8.21%
Arapahoe	487,967	572,003	84,036	17.22%
Jefferson	527,056	534,543	7,487	1.42%
Adams	363,857	441,603	77,746	21.37%
Larimer	251,494	299,630	48,136	19.14%
Boulder	291,288	294,567	3,279	1.13%
Douglas	175,766	285,465	109,699	62.41%
Weld	180,936	252,825	71,889	39.73%
Pueblo	141,472	159,063	17,591	12.43%



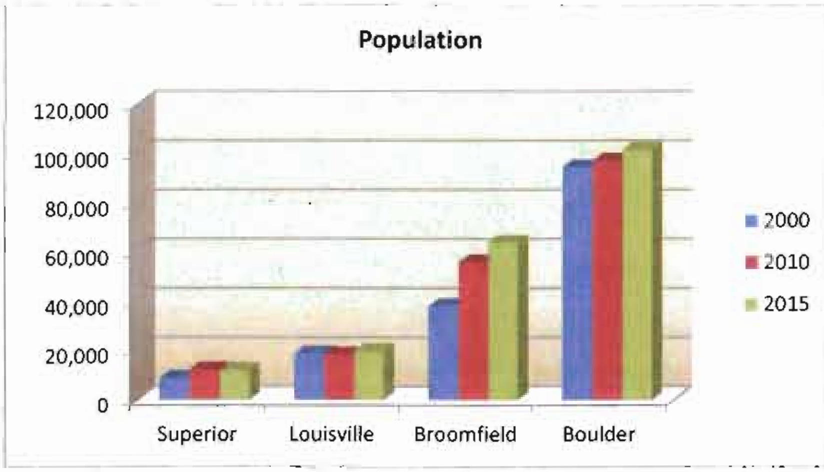


City Populations

The four municipalities in closest proximity to the subject property are Superior, Louisville, Broomfield and Boulder. All except Broomfield are within Boulder County; Broomfield became its own county, the 64^{th} in Colorado, in 2001. The four cities rank in population as shown in the tables on the following page, compared first to other Colorado cities, then to each other.

38 Largest Cities in Colorado		Population		Change, 2000 to 2010	
		2000	2010	Number	Percent
1	Denver	554,636	600,158	45,522	8.21%
2	Colorado Springs	360,890	416,427	55,537	15.39%
3	Aurora	276,393	325,078	48,685	17.61%
4	Fort Collins	118,652	143,986	25,334	21.35%
5	Lakewood	144,126	142,980	-1,146	-0.80%
6	Thornton	82,384	118,772	36,388	44.17%
7	Pueblo	102,121	106,595	4,474	4.38%
8	Arvada	102,153	106,433	4,280	4.19%
9	Westminster	100,940	106,114	5,174	5.13%
10	Centennial	101,377	100,377	-1,000	-0.99%
11	Boulder	94,673	97,385	2,712	2.86%
12	Greeley	76,930	92,889	15,959	20.74%
13	Longmont	71,093	86,270	15,177	21.35%
14	Loveland	50,608	66,859	16,251	32.11%
15	Grand Junction	41,986	58,566	16,580	39.49%
16	Broomfield	38,272	55,889	17,617	46.03%
17	Castle Rock	20,224	48,231	28,007	138.48%
18	Commerce City	20,991	45,913	24,922	118.73%
19	Parker	23,558	45,297	21,739	92.28%
20	Littleton	40,340	41,737	1,397	3.46%
21	Northglenn	31,575	35,789	4,214	13.35%
22	Brighton	20,905	33,352	12,447	59.54%
23	Englewood	31,727	30,255	-1,472	-4.64%
24	Wheat Ridge	32,913	30,166	-2,747	-8.35%
25	Fountain city	15,197	25,846	10,649	70.07%
26	Lafayette city	23,197	24,453	1,256	5.41%
27	Montrose city	12,344	19,132	6,788	54.99%
28	Golden city	17,159	18,867	1,708	9.95%
29	Windsor town	9,896	18,644	8,748	88.40%
30	Evans city	9,514	18,537	9,023	94.84%
31	Louisville city	18,937	18,376	-561	-2.96%
32	Erie town	6,291	18,135	11,844	188.27%
33	Durango city	13,922	16,887	2,965	21.30%
34	Cañon City city	15,431	16,400	969	6.28%
35	Sterling city	11,360	14,777	3,417	30.08%
36	Greenwood Village city	11,035	13,925	2,890	26.19%
37	Fruita city	6,478	12,646	6,168	95.21%
38	Superior town	9,011	12,483	3,472	38.53%

				% Change	
Population	2000	2010	2015	2000-2010	2010-2015
Superior	9,011	12,483	12,141	38.5%	-2.7%
Louisville	18,937	18,376	19,844	-3.0%	8.0%
Broomfield	38,272	55,889	63,959	46.0%	14.4%
Boulder	94,673	97,385	101,673	2.9%	4.4%



It is noteworthy that the two largest cities of the four, Broomfield and Boulder, define the fastest and nearly the slowest growth rates respectively. Radically different political attitudes toward growth and development have marked the two cities for many years and were partly responsible for Broomfield forming its own county out of land within Boulder, Jefferson, Adams and Weld Counties. Other considerations included dealing with four different county seats, court districts and sales tax bases.

Income

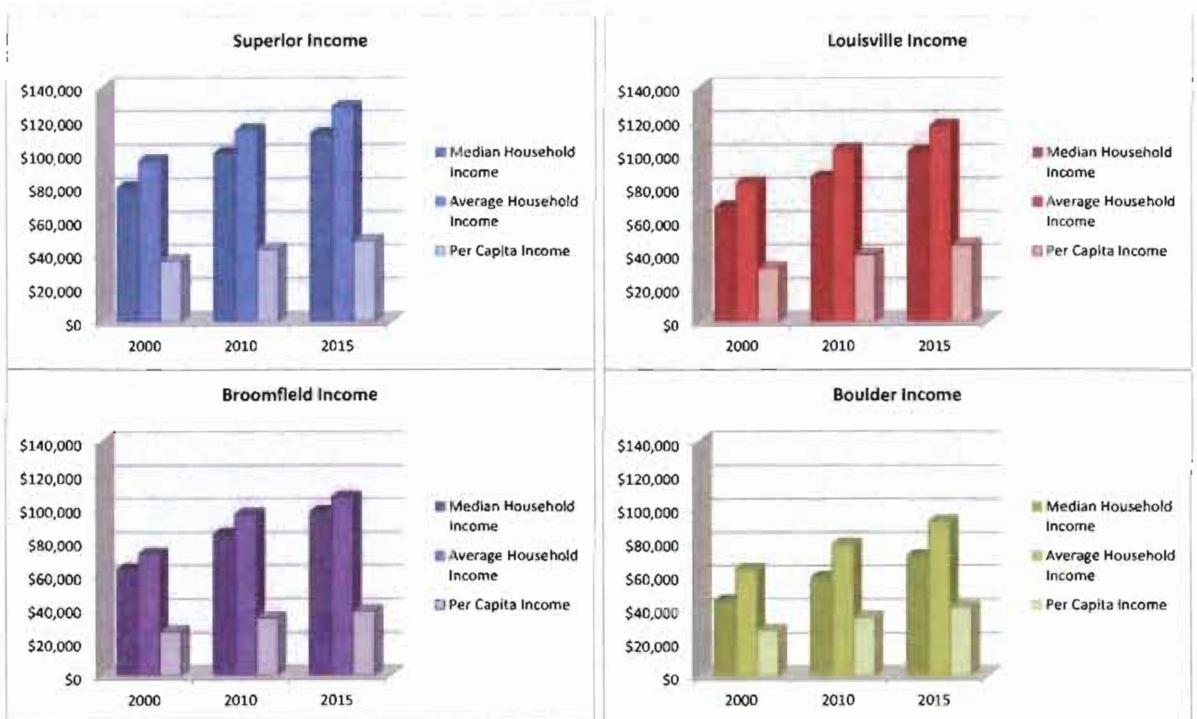
Income data for Superior, Louisville, Broomfield and Boulder (city) are compared below. As of 2010, Superior is the most affluent of the four cities, with Boulder the least overall. In per capita income, Boulder is nearly identical to Broomfield, but considerably lower in average and median household incomes, likely due to a higher percentage of single individual or smaller family households.

Superior	2000	2010	2015
Median Household Income	$80,074	$100,501	$112,354
Average Household Income	$96,229	$114,506	$128,305
Per Capita Income	$36,326	$43,023	$48,069

Louisville	2000	2010	2015
Median Household Income	$68,357	$86,431	$101,302
Average Household Income	$82,721	$102,873	$116,950
Per Capita Income	$31,828	$40,006	$45,681

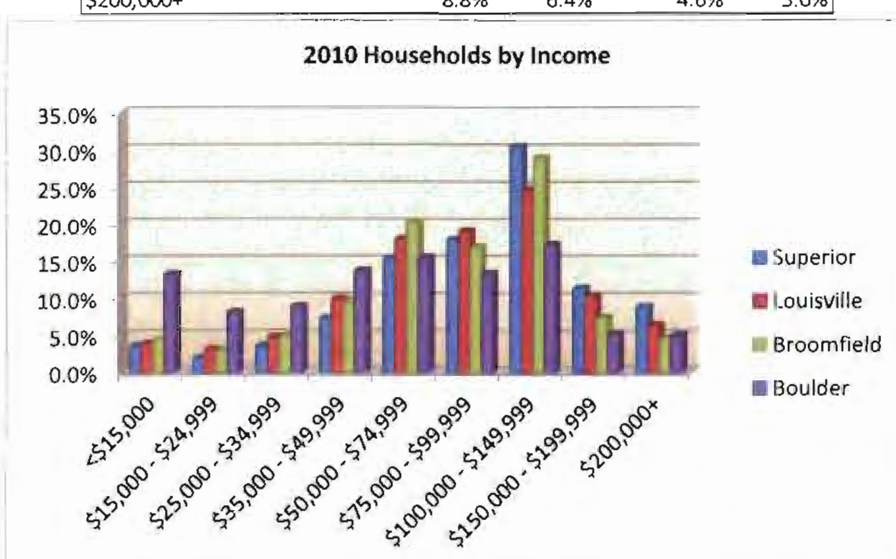
Broomfield	2000	2010	2015
Median Household Income	$63,670	$84,621	$98,042
Average Household Income	$72,850	$96,530	$106,727
Per Capita Income	$26,488	$34,584	$38,267

Boulder	2000	2010	2015
Median Household Income	$44,772	$58,909	$71,790
Average Household Income	$63,542	$78,591	$92,207
Per Capita Income	$27,262	$34,883	$40,988



The table and chart below compare the four cities by percentage of households in various income brackets. The relatively high percentages in the lowest four brackets in Boulder are likely due to a large number of students attending the University of Colorado.

2010 Households by Income	Superior	Louisville	Broomfield	Boulder
<$15,000	3.6%	3.9%	4.4%	13.2%
$15,000 - $24,999	1.9%	3.1%	3.0%	8.1%
$25,000 - $34,999	3.6%	4.8%	4.9%	8.9%
$35,000 - $49,999	7.3%	9.9%	9.6%	13.7%
$50,000 - $74,999	15.3%	18.0%	20.3%	15.5%
$75,000 - $99,999	17.9%	19.0%	16.9%	13.3%
$100,000 - $149,999	30.4%	24.6%	28.9%	17.2%
$150,000 - $199,999	11.3%	10.2%	7.4%	5.2%
$200,000+	8.8%	6.4%	4.6%	5.0%



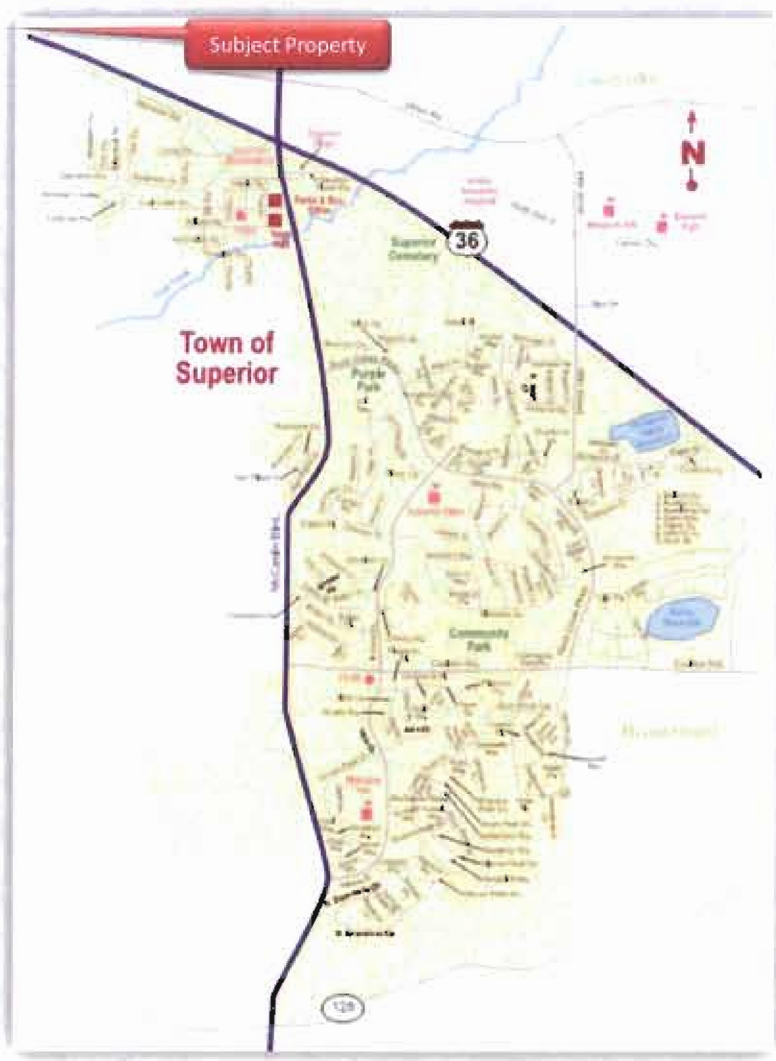
Superior

Founded in 1896 and incorporated in 1904, the present town of Superior has a total area of four square miles. Unlike many Colorado communities whose origins are closely connected with the mining of gold or silver, Superior was developed around coal mining. Indeed, the town was named for the "superior" quality of its coal. The first mines were developed in the late 1800s and remained the major economic activity until the last mine, the Industrial Mine, closed in 1945. Subsequently, the area declined, evolving into a ranching and farming community.

Rock Creek subdivision is the major residential development in Superior, a project of Richmond American Homes. Begun in the 1990s, Rock Creek has at present

- 2,804 single and multi–family homes
- 2 neighborhood schools
- 2 community pools
- 12 playgrounds and 4 major parks
- 27 miles of walking paths
- 594 acres of open space

There are two schools in Superior, Superior Elementary (K–5) and Eldorado K–8, both part of the Boulder Valley School District.



Louisville

Like Superior, the town of Louisville has a close association with the coal mining industry. First settled in 1877 with the opening of the Welch Mine, the first coal mine in the Northern Coalfield (an area of Boulder and Weld Counties), Louisville was incorporated in 1882 and named for Louis Nawatny, who platted his own land and gave his name (pronounced "Lewis–ville" unlike the more famous Kentucky city) to the new town. The period of peak coal production was 1907–1909 with twelve mines operating, including the Acme Mine from which two million tons were extracted from directly beneath the town.

By the 1950s the mines were closed and Louisville made the transition to a suburban residential community. It was so successful that since 2005 the town has been recognized by four publications (*CNN/Money*, *Money* magazine, *Family Circle* and *Best Places to Raise Your Family: The Top 100 Affordable Communities in the U.S.*) as one of the best places to live and raise a family in the U.S.

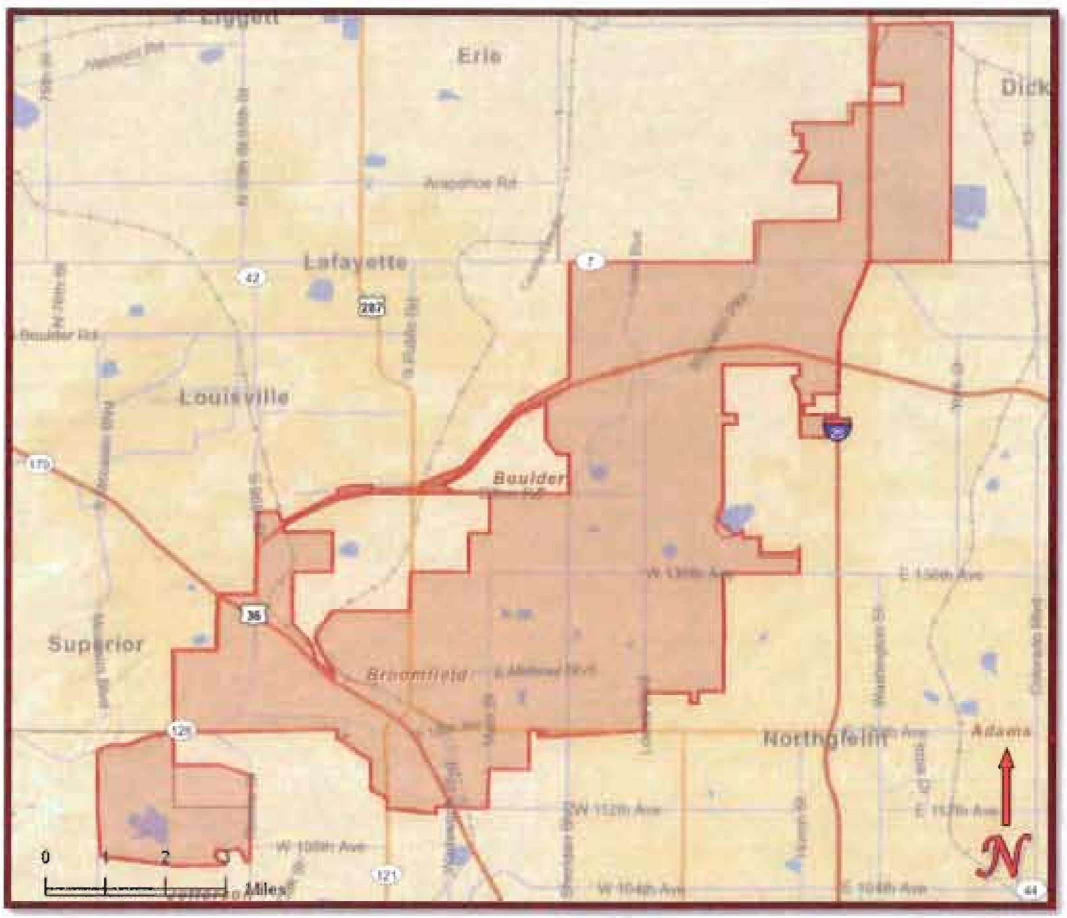
Louisville currently includes 8.6 square miles, 8.5 square miles of which is land and 0.1 square mile is water. The town has 26 city parks, 1,800 acres of open space and 26 miles of trails and bicycle paths, in addition to a $9 million library with one of the highest circulation rates in the state. Louisville is also home to the space technology company, Sierra Nevada Corporation, a prime systems integrator for commercial spacecraft. SNC is the builder of Dream Chaser, one of three commercial spacecraft chosen by NASA to transport astronauts to the International Space Station, with the ending of the Space Shuttle program.

Broomfield

Development of the area that eventually became the city of Broomfield is tied to rail lines laid by the Colorado Central Railroad and the Denver, Utah and Pacific Railroad. The latter laid the first rails in 1881 in the area of what is now the intersection of 120th Avenue and Wadsworth Boulevard. By 1909, 19 passenger trains per day came through Broomfield, prompting construction of a new depot. From 1900 to 1957, the local population was approximately 100, living on area farms.

In 1950, construction began on the Boulder Turnpike, stretching from Wadsworth Boulevard to the city of Boulder. The turnpike was designed as a toll road and one of the first paved arterials in the area. With the purchase of land by the Turnpike Land Co., the master planned community that became Broomfield was begun. By 1961 the city was incorporated with a population of 6,000 in southeastern Boulder County.

From 1969 to 1989, Broomfield grew through annexations in Jefferson, Adams and Weld Counties, becoming the only Colorado city located in four separate counties. Obvious inefficiencies of dealing with four separate court districts, county seats and sales tax bases, combined with longstanding political differences with no–growth Boulder impelled Broomfield to seek to become its own county. Thus, an amendment to the Colorado State Constitution was passed in 1998, and after a three–year transition, Broomfield County became the 64th and smallest Colorado county (27.5 square miles in area) on November 15, 2001. A current map of the City and County of Broomfield follows.



Much of the economic growth in Broomfield in the 1990s was focused on technology. According to the Broomfield Economic Development Corporation, the major employers in Broomfield are as follows:

Level 3 Communications	2,068
Oracle Corporation	1,900
Hunter Douglas	805
Urban Lending Solutions	800
Staples / Corporate Express	700
Ball Corporation	640
Sandoz, Inc.	600
City & County of Broomfield	561
WhiteWave Foods	450
Vail Resorts, Inc.	430
TransFirst Holdings, Inc.	385
MWH Global	350
Brocade Communications Systems, Inc.	300
VMWare	275
Webroot Software, Inc	245
ZOLL	225

The Broomfield EDC also notes that high technology manufacturing accounts for more than half of all jobs in Broomfield and Boulder Counties. More than 700 companies employ over 30,000 people in high–tech research, manufacturing and information technology services in the northwest quadrant of the Denver Metropolitan area in which Broomfield is located.

With the opening of Flatiron Crossing Regional Mall in 2000, large–scale retail joined the rapid Broomfield development. The mall features nearly 1,500,000 square feet of retail space in two enclosed levels with an adjoining 50,000 square feet of outdoor pedestrian shopping plaza called The Village. The mall houses approximately 200 shops and restaurants, but has evidenced economic (and physical) problems in recent years.

First, The Village was built on shifting soils that caused structural damage that became evident in 2006, leading to the loss of several tenants. Second, original tenants signed 10–year leases that recently expired and major retailers such as McDonald's and Cinnabon decided not to renew. Other vacating tenants included Panda Express and Abercrombie & Fitch.

Remaining major tenants include Nordstrom, Dillard's, Macy's, The Container Store, and Dick's Sporting Goods. A 2008 renovation, projected to cost $53 million, was put on hold a year later, despite a commitment by Broomfield to reimburse $26 million if the project proceeded.

1st Bank Center

Located 6.2 miles southeast of the subject between Wadsworth Parkway and the Boulder Turnpike, the 1stBank Center is touted as the premier mid–sized event venue in the Denver metropolitan area. Formerly the Broomfield Event Center, the multi–use arena was constructed between October 2005 and November 2006 at a cost of $49 million (in 2012 dollars). Its capacity is flexible, accommodating seating from 3,500 to 6,500 for a variety of musical, sporting, entertainment and charitable events. Since September 2009, the Center has been operated by Peak Entertainment LLC, a joint venture of Anschutz Entertainment Group and Kroenke Sports Enterprises.

Adjacent to the center, RTD has constructed the Broomfield Park–n–Ride facility, which includes bus–only slip ramps, a multi–level parking garage with 1,310 spaces, and pedestrian bridge across US 36.

Rocky Mountain Metropolitan Airport

Located five miles southeast of the subject property, the former Jefferson County Airport (renamed in 2006) covers 633 acres with three active runways. The airport is used by general aviation, corporate traffic and is home to several flight schools. It has the distinction of being located nine miles northwest of the Denver Central Business District, by far the closest airport to downtown.

The airport finished 2011 with a total of 121,994 operations (fly–overs, landings, takeoffs, and touch and goes), a drop of 0.8% from 2010, but a 31.1% drop from the peak year of 2005 (177,096 operations). By comparison, Centennial Airport had 303,043 operations in 2011, up 4.7% from last year's total (289,546), but also down substantially (35%) from its peak year 1998 total of 466,267. The Centennial Airport also has three runways, but each is longer than the comparable one at Rocky Mountain Metropolitan.

Interlocken Technology Park

Located on 963 acres north of the Rocky Mountain Metropolitan Airport, the Interlocken Technology Park is an advanced technology–oriented business park planned for eventual build–out of 10.5 million square feet. While the technology bust early in the previous decade had a major effect on the park, it is nevertheless likely to gain early benefits from any sustained recovery. The Interlocken/Broomfield area is one of only three in metropolitan Denver with large concentrations of companies, the others being the Denver Technology Center (DTC) and downtown.

It was a major coup when Sun Microsystems developed a data center facility in 1997. Three years later it's stock peaked at over $250, but by December 2001 had crashed to $100, on its way to less than $15 by the end of 2002. In 2005 Sun acquired local hard drive manufacturer StorageTek, but in turn was sold to Oracle Corporation in 2009, which maintains approximately 1,900 employees in 1.1 million square feet in Broomfield.

In addition to Oracle, Level 3, Time Warner and Hunter Douglas, other companies located in Interlocken include:

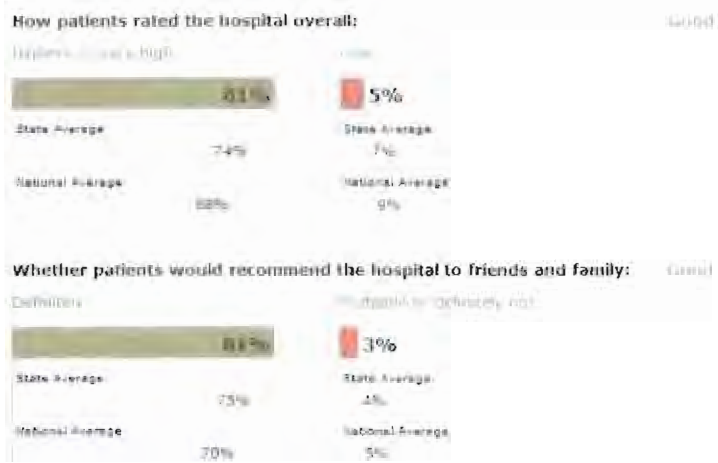
- Booyah Networks (digital marketing and technologies)
- Clifton Gunderson LLP (13th largest CPA and consulting firm in the country)
- Corporate Express (a leading business–to–business supplier of office and computer products)
- McKesson (healthcare services)
- VMWare (provider of computer virtualization technology)

Omni Interlocken Resort

Shown on the map on the following page is the location of the Omni Interlocken Resort adjacent to the technology park on the west. The resort was designed to cater to corporate business travelers and corporate groups and associations. It features a 27–hole golf course, 390–room hotel, health club and spa, and walking, jogging, hiking and biking paths. The resort also includes 34,000 square feet of meeting/banquet, two ballrooms, and state–of–the–art meeting rooms.

Avista Adventist Hospital

Established in 1990 by the Seventh–day Adventist Church and now connected to the Centura health network, Avista Adventist Hospital is located 1.6 miles southeast of the subject property. After undergoing multiple expansions, the 114–bed facility is a full service acute care hospital with a medical staff of more than 500 physicians. In addition to providing critical care services (emergency, trauma and intensive care), Avista is a leading provider of birthing services. A patients satisfaction survey published by USNews Health rated Avista Adventist Hospital well–above the state and national average ratings:



Boulder

Located 25 miles northwest of Denver at the base of the foothills of the Rocky Mountains, Boulder is the most populous city as well as the county seat of Boulder County. Covering 25.4 square miles, of which one square mile is water, Boulder is famous for its stunning natural beauty due to the proximity of the slabs of sedimentary stone tilted up on the foothills, known as the Flatirons.

Boulder is the 11th largest city in Colorado, measured by population, having been passed by Thornton as of the 2010 Census. Greeley and Longmont are likely to do so by the next census, if they continue their historic growth rates.

The original Boulder City was organized in 1859 with 4,044 lots laid out by the Boulder City Town Company, offered for sale at $1,000 each. Boulder City remained part of the Nebraska Territory until February 1861 when Congress established the Territory of Colorado. The city developed as a supply base for miners searching the mountains for gold and silver. In that same year legislation was passed that allowed a state university to be located in Boulder, although the cornerstone for the first building wasn't laid until 1875. The University of Colorado opened in 1877. Today CU adds approximately 46,000 residents to Boulder – 30,000 undergraduate students, 7,000 graduate students and 10,000 staff/faculty.

According to Wikipedia, major employers in and near Boulder with more than 400 employees include:

- University of Colorado
- IBM
- Ball Aerospace and Technologies Corporation
- Level 3 Communications
- National Institute of Standards and Technology and National Oceanic and Atmospheric Administration
- Covidien, formerly Tyco Healthcare Group

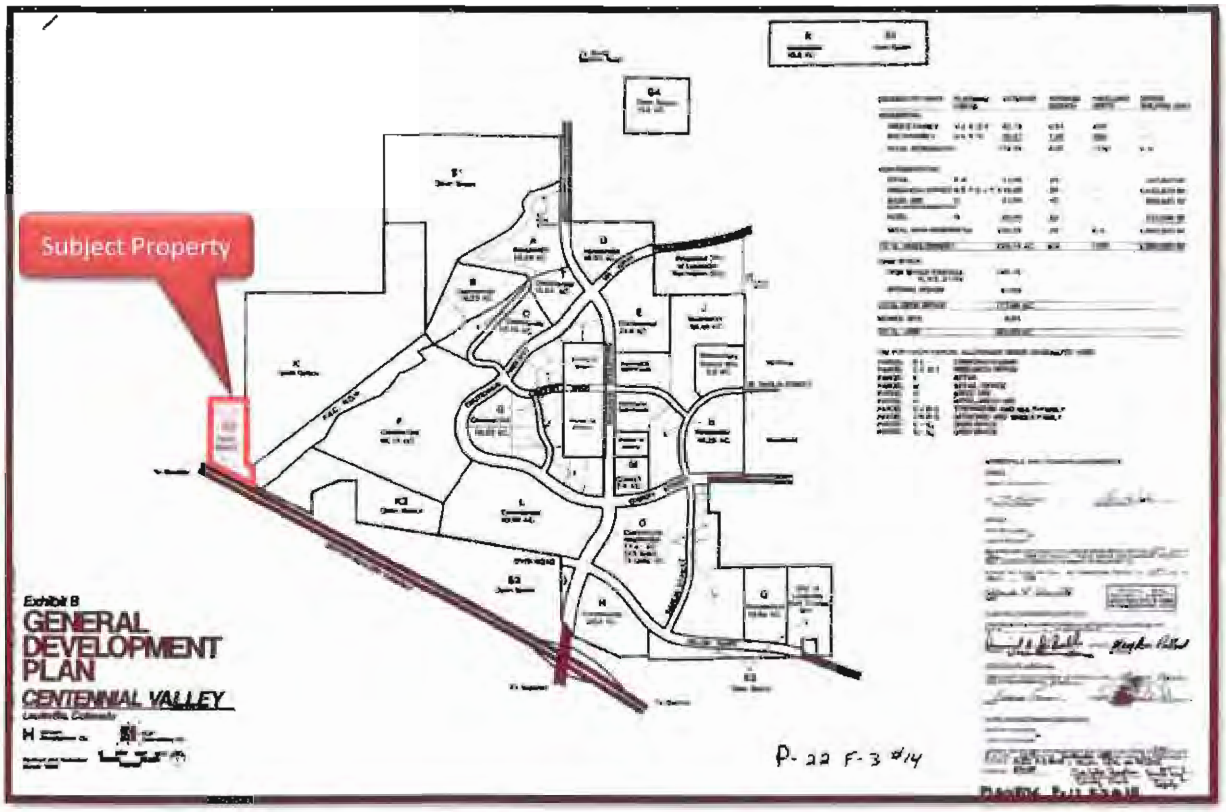
- City of Boulder
- National Center for Atmospheric Research
- Amgen
- Crispin Porter & Bogusky
- Micro Motion
- Crocs
- Lockheed Martin

A more property-specific overview of the locational factors affecting the subject property was provided in the report text.

Boulder County Assessor's Map

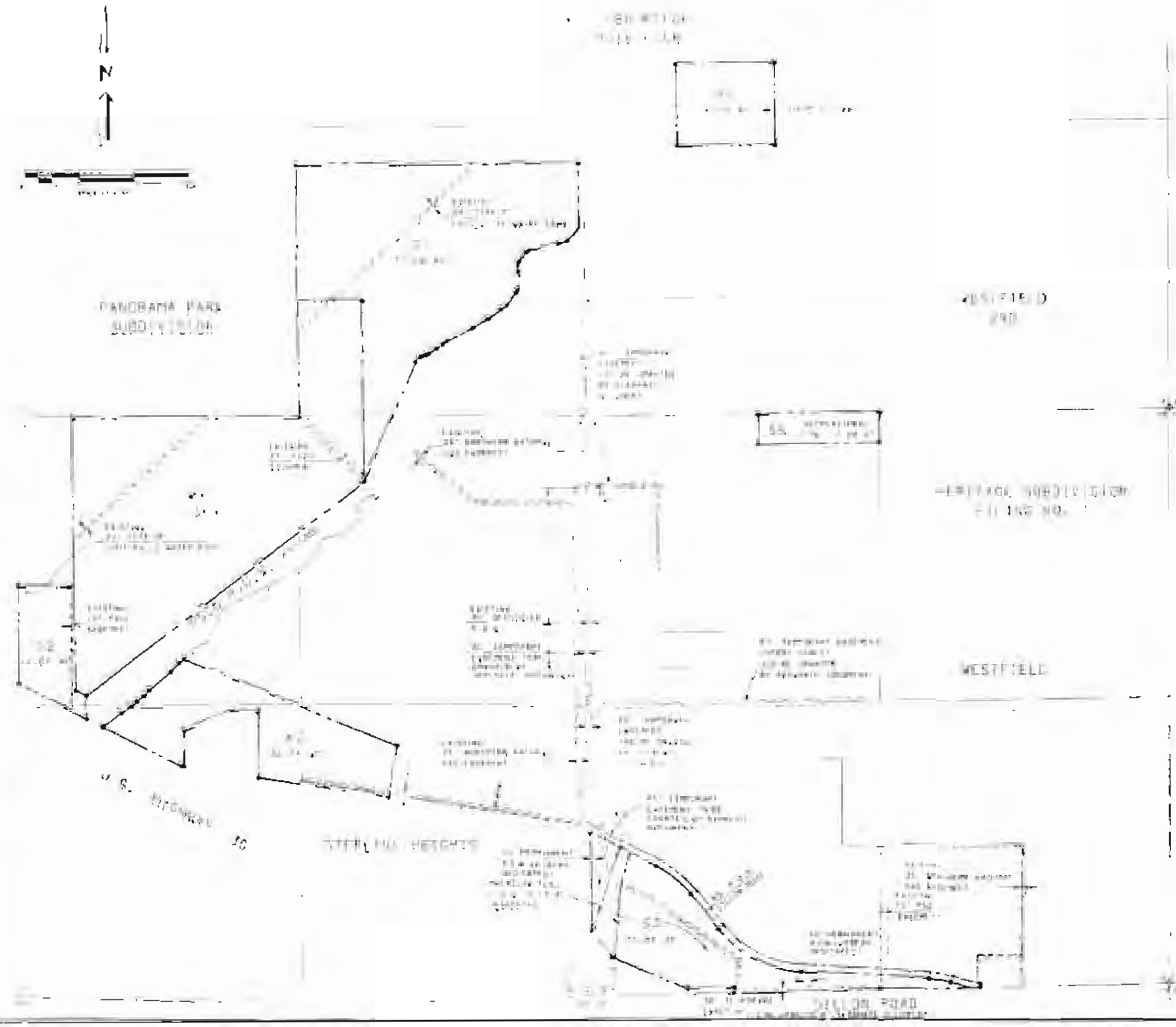
Boulder County Floodplain Map

General Development Plan



CENTENNIAL VALLEY FOURTH FILING

A REPLAT OF A PORTION OF CENTENNIAL VALLEY
SECOND FILING (CORRECTED PLAT)
PORTIONS OF SECTIONS 7 & 18, T1S, R69W AND
SECTIONS 12 & 13, T1S, R70W, 6TH P.M.
COUNTY OF BOULDER, STATE OF COLORADO



APPROVALS

DEDICATION

NOTARIAL

...July... 85 ... 30th ...
8-7-88
Nancy R. Pearson

SURVEYOR'S CERTIFICATE

CITY COUNCIL CERTIFICATE

16th ... October ... 1984

PLANNING COMMISSION CERTIFICATE

9th ... Sept ... 84 ... 15 ... 1984

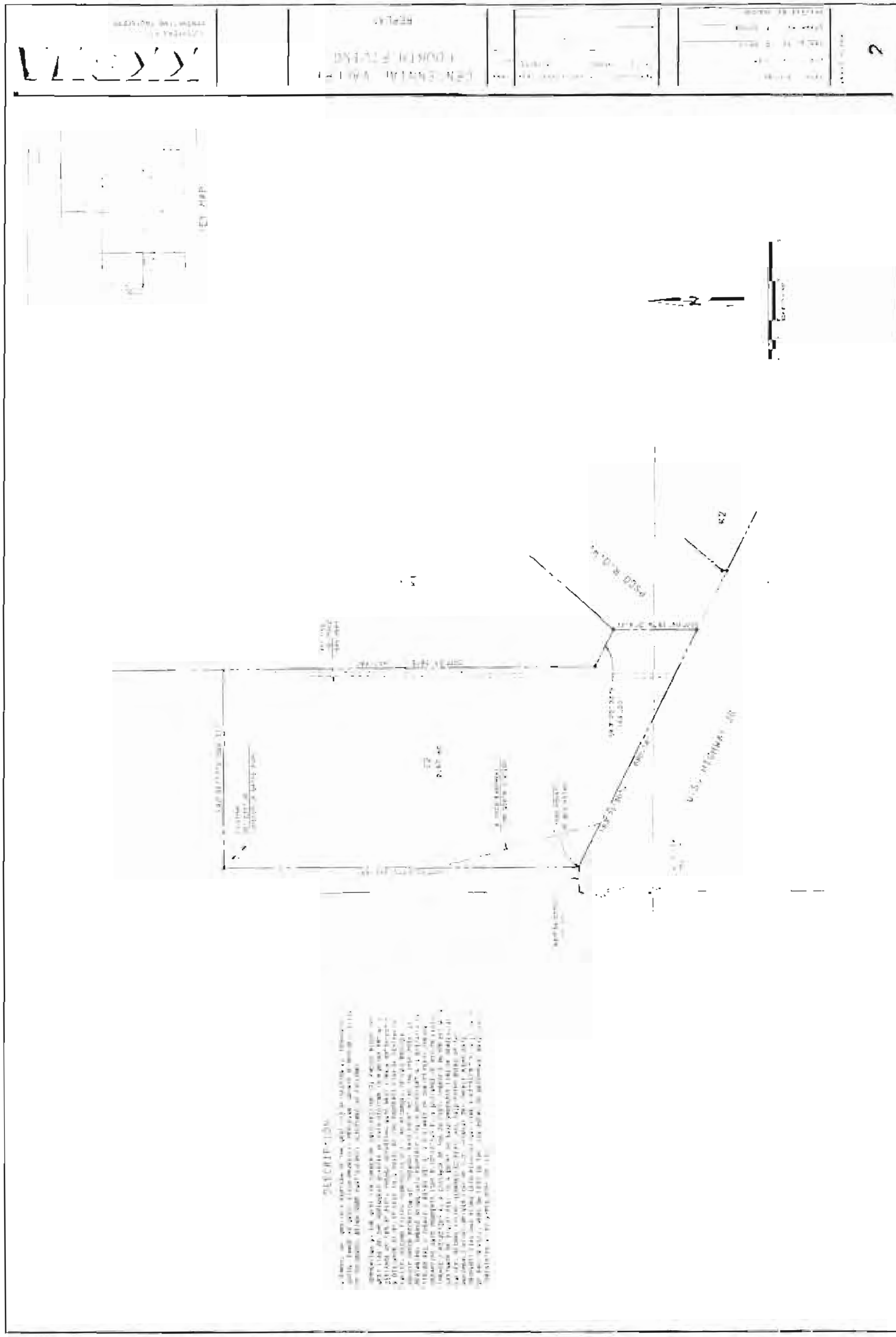
CLERK AND RECORDER'S CERTIFICATE

3rd ... November ... 85
P-19 F-1 #1 thru 10
1382 ... 725633 ... $100.00

P-19 F-1 #1

(Sheet 1 of 10)

R191-2 2/10



P-4 F-1 #2 (Sheet 2 of 10)

COLORADO DEPARTMENT OF TRANSPORTATION
REAL PROPERTY

TO BE ACQUIRED

Parcel Number: 8C

FROM

CITY OF LOUISVILLE, COLORADO,
a municipal corporation
749 Main Street
Louisville, CO 80027

Site Address: Open Space

FOR

Project Code: 18907
Project Number: NH 0361-103, Segment F
Location: Foothills Parkway to McCaslin Blvd.

EXHIBIT "A"

PROJECT CODE: 18907
PROJECT NUMBER: NH 0361-103, SEGMENT F
PARCEL NUMBER: 8C
DATE: OCTOBER 16, 2012
DESCRIPTION

Parcel No. 8C of the Department of Transportation, State of Colorado, Project Number NH 0361-103, Segment F, containing 21,969 square feet (0.504 Acres), more or less, lying in the W 1/2 of Section 13, Township 1 South, Range 70 West of the 6th P.M., being a portion of Parcel S-2 described in Reception No. 00725635, recorded on November 13, 1985, in the Boulder County Clerk and Recorder's Office, being more particularly described as follows:

Commencing at a witness corner of the West 1/4 of said Section 13 (a found 2 ½" Brass Cap stamped "T1S R70W 8-65 SEC 13 SEC 14 ROW LINE RLS 4846"), Whence the Center 1/4 Corner of said Section 13 (a found 3/4" Rebar with 2 1/2" Aluminum Cap Stamped "CIVIL ARTS-DREXEL T1S R70W C1/4 S13 2007 PLS 25379"), bears S.84°35'25"E., a distance of 2647.65 feet (basis of bearing – grid bearings of the UTM System Zone 13 North, NAD 1983 (1992));
Thence S.63°04'24"E., coincident with the northeasterly right of way line of U.S. Highway No. 36 as delineated on Project No. T-170-1(0), as it existed in March 2012, a distance of 88.07 to the POINT OF BENNING;

1. THENCE S.69°51'53"E., a distance of 559.90 feet;
2. THENCE S.31°28'49"E., a distance of 126.38 feet to the Southeasterly corner of said Parcel S-2 described in Reception No. 00725635 and said northeasterly right of way line;
3. THENCE N.63°04'24"W., coincident with said northeasterly right of way line, a distance of 663.62 feet to the POINT OF BEGINNING.

The above described parcel contains 21,969 square feet (0.504 Acres), more or less.

10-16-2012

For and on the behalf of
Jacobs Engineering Group, Inc
Marla M. McOmber, PLS 24961
707 17th Street, Suite 2300
Denver, CO 80202

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Colorado Department of Transportation
1420 2nd Street
Greeley, CO 80631
Phone/Fax: 970-350-2161
Region 4 PTS

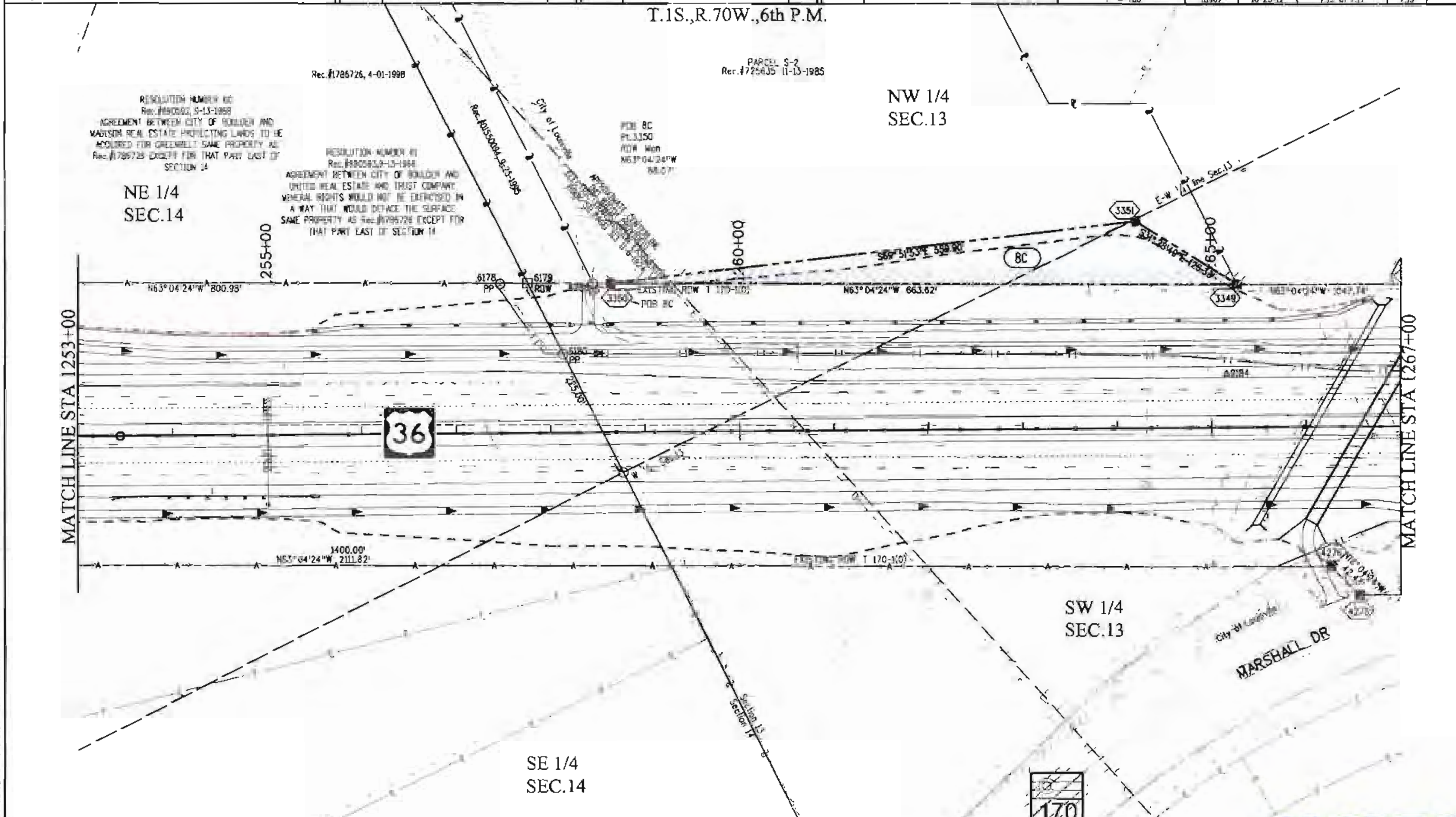
Sheet Revisions			Sheet Revisions			Sheet Revisions		
Date	Description	Initials	Date	Description	Initials	Date	Description	Initials
mm/dd/yy	XXXXXXXX	XXX	mm/dd/yy	XXXXXXXX	XXX	mm/dd/yy	XXXXXXXX	XXX

1" = 100'

Right of Way Plans
Plan Sheet

Project Number: NH 0362-003, Segment F
Project Location: Foothills Pkwy to McCaslin Blvd
Secs 9,10,11,13,14 T1S,R70W/6th PM

Project Code	Last Mod. Date	Subset	Sheet No
18907	10-23-12	7.13 of 7.17	7.13



BC CITY OF LOUISVILLE, COLORADO, a Colorado home rule municipal corporation

Colorado Department of Transportation

1420 2nd Street
Greeley, CO 80631
Phone/Fax: 970-350-2161

Region 4 PTS

Sheet Revisions		
Date	Description	Initials
mm/dd/yy	XXXXXXXX	XXX

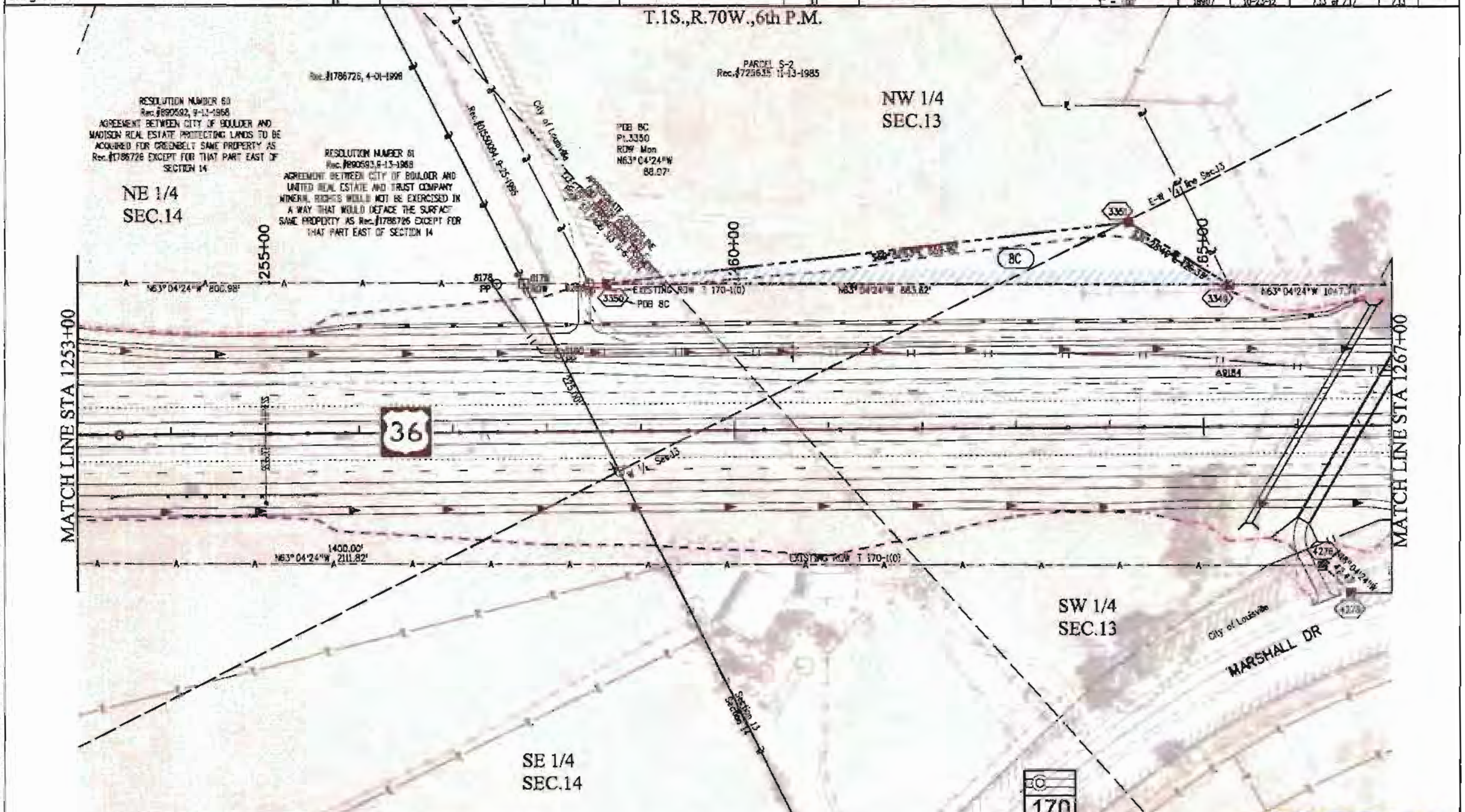
Sheet Revisions		
Date	Description	Initials
mm/dd/yy	XXXXXXXX	XXX

Sheet Revisions		
Date	Description	Initials
mm/dd/yy	XXXXXXXX	XXX

Right of Way Plans
Plan Sheet

Project Number: NH 0361-103, Segment F
Project Location: Foothills Pkwy to McCaslin Blvd
Secs.9,10,11,13,14 T1S,R70W/6th PM

Project Code	Last Mod. Date	Subset	Sheet No.
18907	10-23-12	7.13 of 7.17	7.13



8C CITY OF LOUISVILLE, COLORADO, a Colorado home rule municipal corporation

JACOBS

10/23/2012

Colorado Department of Transportation

1420 2nd Street
Greeley, CO 80631
Phone/Fax: 970-350-2161

Region 4 PTS

Sheet Revisions		
Date	Description	Initials
mm/dd/yy	XXXXXXXX	XXX

Sheet Revisions		
Date	Description	Initials
mm/dd/yy	XXXXXXXX	XXX

Sheet Revisions		
Date	Description	Initials
mm/dd/yy	XXXXXXXX	XXX

Right of Way Plans

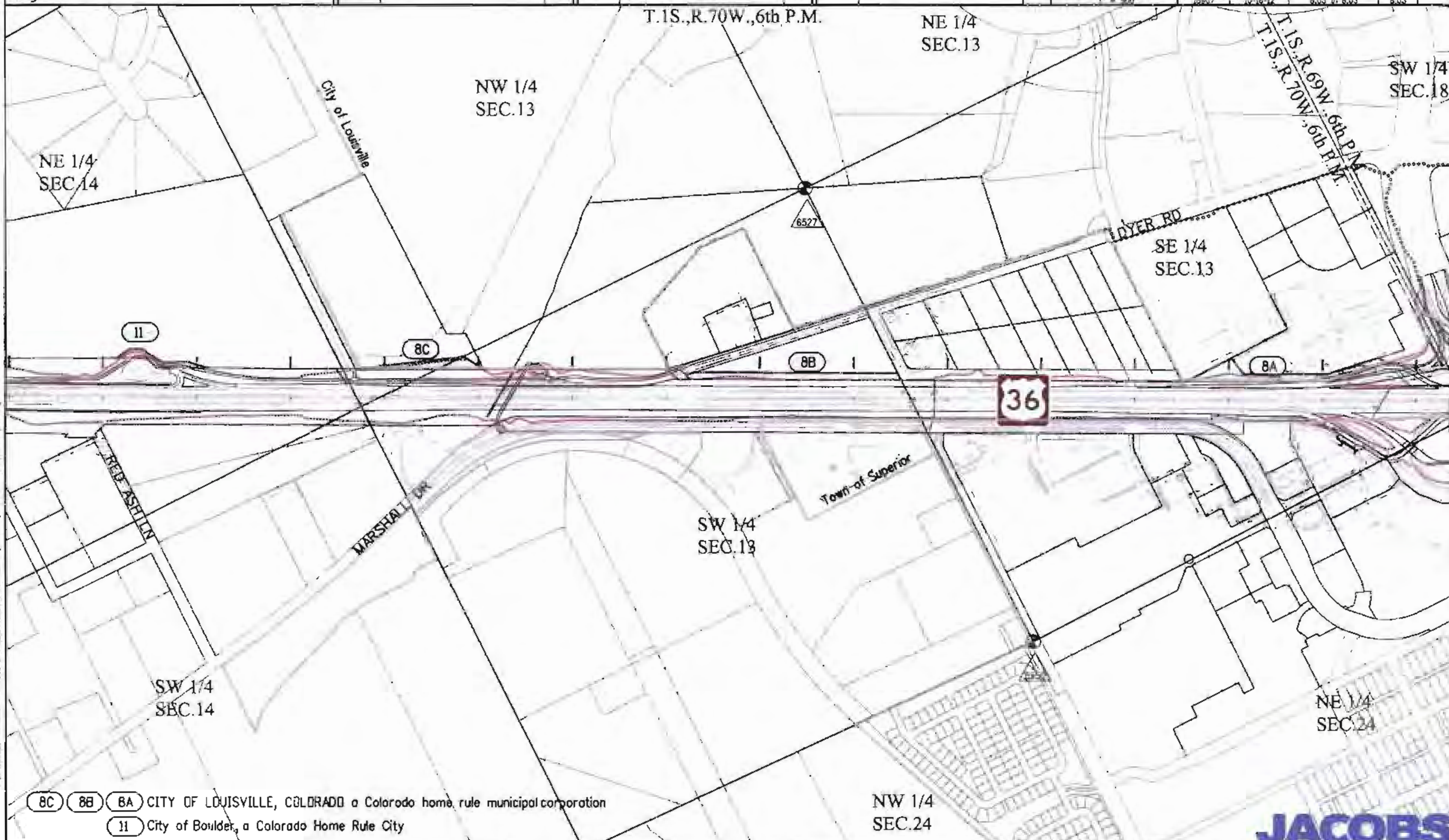
Ownership Sheet

Project Number: NH 0361-103, Segment E

Project Location: Foothills Pkwy to McCaslin Blvd

Secs. 9,10,11,13,14 T1S,R70W/6th PM

Project Code	Last Mod. Date	Subset	Sheet No.
18907	10-16-12	8.03 of 8.03	8.03



Certification of the Appraiser

Project: **US 36 Managed Lane, Segment F**
Ownership: **City of Louisville**

I certify that, to the best of my knowledge and belief:

- I have personally inspected the subject property appraised and I have also made a personal field inspection of the comparable sales relied upon in making this appraisal, examined sales instruments of record, and have confirmed the sale transactions with the buyer, seller, attorney in fact, and/or broker. The photographs in this appraisal report reasonably represent the subject property, the property to be acquired, and comparable sales relied upon.

- any increase or decrease in the reasonable market value of the real property appraised caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than physical deterioration within the reasonable control of the owner, was disregarded in this appraisal [Colorado Jury Instructions—Civil 4th, 36:3 and 49 CFR 24.103(b)]. This jurisdictional exception to USPAP Standards Rule 1–4(f) applies only to the reasonable market value of the larger parcel value before take and value of part(s) taken.

- my analyses, opinions, conclusions developed, and this appraisal have been prepared in conformity and consistent with the *Uniform Standards of Professional Appraisal Practice (USPAP),* appropriate State laws, regulations, policies and procedures applicable to appraisal of property for public purposes.

- To the best of my knowledge no portion of the value assigned to the property consists of items which are non–compensable under established State law.

- the statements of fact contained in this report are true, and the information upon which the opinions expressed in this report are based is correct. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions set forth in this appraisal report, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions.

- I have no present or prospective interest in or bias with respect to the property that is the subject of this report, or in any benefit from the acquisition of the property appraised.

- I have no personal interest or bias with respect to the parties involved with this assignment.

- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three–year period immediately preceding acceptance of this assignment.

- my engagement in this assignment was not contingent upon developing or reporting predetermined results.

- neither my employment nor my compensation are in any way contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the clients, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. The value estimate was reached without collaboration or compulsion.

- I have not revealed the findings and results of this appraisal to anyone other than the proper officials of the Colorado Department of Transportation nor will I do so until required by due process of law or by having publicly testified as to the findings.

- no one provided significant professional assistance to the person signing this report.

- the use of this report is subject to the requirements of the Board of Real Estate Appraisers and the Appraisal Institute relating to review by their duly authorized representatives.

- as of the date of this report, I, Bonnie D. Roerig, MAI, has completed the requirements of the continuing education program of the Appraisal Institute in addition to the requirements of the continuing education program of the Board of Real Estate Appraisers, State of Colorado.

- the date of the appraisal report is March 1, 2013.

- based upon my independent appraisal and the exercise of my professional judgment, my opinion of compensation for the acquisition as of the effective date of appraisal and valuation, February 17, 2013, is **$19,775** as if unaffected by hazardous waste or contamination issues. This represents adoption of an extraordinary assumption according to USPAP and may have affected the assignment results.

Bonnie D. Roerig, MAI (AI)
Colorado Certified General Appraiser #CG1313395

Summary of Experience and Qualifications – Bonnie D. Roerig, MAI

1. **Memberships:**

Appraisal Institute:

Designated MAI in November 1981
Executive Committee, 1995–1996
Board of Directors, 1995–1996
Finance Committee, 1995
National Planning Committee, 1994–1995
General Appraiser Board, 1992–1996; Vice–Chair 1994; Chair 1995 and 1996
Regional Member — Ethics Administration Division, Region II, 1992–1995
Assistant Regional Member – Ethics Administration Division, Region II, 1988–1992
General Demonstration Reports Subcommittee, Chair 2000–2002; Vice–Chair, 1999, Member 2003–04
Demonstration Appraisal Grading Panel – 2005–2012
General Admissions Committee, 2000–2002
Non–Residential Demonstration Reports Subcommittee — 1985–1990; Co–Vice Chair, 1987–1990
Board of Examiners — Appraisal Reports, 1987–1990
Instructor Subcommittee, 1998–1999
Qualifying Education Committee, 1999–2002; Vice–Chair, 1999
Appraisal Journal Editorial Subcommittee, 1999–2001; Chair and Editor–in–Chief, 2002–2003
Educational Publications Committee, 2002–2003
Region Finance Officer, Region II – 2005–2012
Member, Leadership Development and Nominating Committee, 2007
Chair, Appraisal Standards Committee, 2008–2011
Member, Strategic Planning Committee, 2008–2009
2009 Recipient, President's Award (for lifetime achievement)

Colorado Chapter of the Appraisal Institute:

Recipient of Distinguished Service Award, December 1996
President, 1990
Vice–President – President–Elect, 1989
Secretary–Treasurer, 1988
Board of Directors, 1985–1991
Co–Chairman, Admissions Committee, 1983–1984

International Right–of–Way Association, Mile Hi Chapter 6

Education Committee, 2002–2006
Recipient of Helen C. Peck/Frances Reisbeck Memorial Award, March 2005
Treasurer, 2007
Recipient of the Vic Ramer Memorial Right of Way Professional of the Year Award – 2007
Secretary, 2008
Vice–President, 2009
President, 2010–2011
International Director, 2011–2012

Educational Council of Appraisal Foundation Sponsors

Examination Committee, 2004–2009

2. **Business Affiliations:**

Owner, Bonnie Roerig & Associates, Real Estate Analysts and Value Consultants, since January 1988.
Incorporated Bonnie Roerig & Associates, LLC in February 2003.
Member, National Federation of Independent Business (NFIB)
Full Partner, Baughar–Roerig & Associates, August 1982 through December 1987.
Full–time real estate appraisal work since 1970, Denver–Boulder area and throughout Colorado.

3. **Experience:**

a) Appraisals throughout metropolitan Denver and in various locations in Colorado since 1970.
b) Extensive commercial, industrial, office, and vacant land appraisal experience.
c) Valuation studies and appraisals in conjunction with eminent domain proceedings since 1974.
e) Qualified as expert witness in various District and County Courts.
f) Appraisal review and appraisal consultation.
g) Fundamental market analysis studies.
h) Instructor, Appraisal Institute, USPAP, ACO, and various seminars.
i) Instructor and course developer, general demonstration report writing seminar, Appraisal Institute

j) Subject Matter Expert, Appraiser Qualifications Board, Appraisal Foundation
k) AQB Certified USPAP Instructor (No. 10334), 2003–March 2014
l) Contract investigator for Colorado Board of Real Estate Appraisers, 2007 and 2011
m) Arbitrator, real estate assessments, Boulder County, Douglas County and Jefferson County
n) Hearing Officer, Board of Equalization, Douglas and Boulder Counties, 2007–2011
o) Approved appraiser, Colorado Department of Transportation
p) Federal review appraiser, Regional Transportation District

4. Education:

a) Bachelor of Arts in Speech Arts, 1968
b) Master of Arts Degree in Communication Arts, 1971
c) Appraisal Institute/American Institute of Real Estate Appraisers:
   Course I–A, Basic Appraisal Principles – Methods and Techniques
   Course I–B, Capitalization – Theory and Techniques
   Course 310, Basic Income Capitalization
   Course 520, Highest & Best Use and Market Analysis
   Course 530, Advanced Sales Comparison and Cost Approaches
   Course 540, Report Writing and Valuation Analysis
   Course 705, Litigation Appraising, Specialized Topics and Applications
   Course IV, Condemnation
   Course VI, Investment Analysis
   Uniform Appraisal Standards for Federal Land Acquisitions Seminar ("Yellow Book")
   Appraisal Curriculum Overview, 2008
   Litigation Appraising: Specialized Topics and Applications, 2010
   The Appraiser as an Expert Witness: Preparation & Testimony, 2010
d) Continuing education requirements of the Appraisal Institute have been met.
e) Colorado State General Certified Appraiser, No. CG1313395, continuing education current
f) Concepts and Principles of USPAP, An Instructor's Application, The Appraisal Foundation, 2003
g) Appraising Conservation Easements and Case Studies, ASFMRA, 2005
h) Integrating Appraisal Standards, IRWA, 2005
i) Spreadsheet Modeling, Appraisal Institute 2011
j) Valuation of Environmentally Contaminated Real Estate, IRWA, 2012

5. Appraisal and Consulting Clients:

Adams County
Apple Computer, Inc.
Arapahoe County
Bank of Boulder
CDH Associates, LLC
City of Aurora
City of Arvada
City of Black Hawk
City of Boulder
City & County of Denver
City of Colorado Springs
City of Estes Park
City of Englewood
City of Fort Collins
City of Lakewood
City of Littleton
City of Steamboat Springs
City of Westminster
Colorado Department of Transportation
Colorado Housing Finance Authority
ConocoPhillips
Denver Public Schools
Denver Urban Renewal Authority
Denver Water Board
E–470 Public Highway Authority
Englewood Downtown Development Authority
Federal Deposit Insurance Corporation
Front Range Airport
GSA – Public Building Services
Guaranty Bank and Trust Co.
Horan & McConaty Family Funeral Services
Howard Electric Company
Internal Revenue Service
ITT Grinnell
Jefferson County
KWAL Paints, Inc.
Montegra Capital Resources, Ltd.
Mountain States Bank
Murphy Creek Metropolitan District
Parker Water & Sanitation District
Pioneer Centres
Regional Transportation District
St. Joseph's Hospital
Southeast Corridor (T–Rex)
Steele Street Bank & Trust
Stewart Title Guaranty Co.
U.S. Postal Service
United Steel Workers of America
Upland Industries Corporation
Urban Drainage and Flood Control
Vectra Bank Colorado, N.A.
Various Private Clients
Xcel Energy

Bonnie Roerig & Associotes, LLC
1873 S. Bellaire St., Suite 1222
Denver, CO 80222
303-757-5525

Testimony and/or deposition record
Bonnie D. Roerig, MAI

Date	Client	Case Name		Jurisdiction
Jan-00	RTD	19.427 acre owned by Denver Residential Inc., for acquisition for Park-n-Ride facility NS Ken Caryl Ave., ES Shaffer Pkwy.	Deposition Testimony	Jefferson County Dist.
May-01	Kirby Ross	Land Leased Fee Analysis, Royal Palace Hotel at 1565 Colo. Blvd., Denver	Deposition	Denver District
Jul-01	Alvin Chua, Esq.	Rent study for 605 Parfet St., Lakewood Tai-Dan Hsu, owner	Testimony	Jefferson County Dist.
Nov-02	City of Aurora	1470 Emporia St., Aurora (City acquisition), owned by Michael Deans	Testimony	Arapahoe County
Mar-03	Parker Water & Sanitation District	36 acres vacant land, Douglas County owned by Anton & Sherry Johnson	Deposition	Douglas County Dist.
Apr-03	Parker Water & Sanitation District	55.72 acres vacant land, Douglas County owned by Gwendolyn Mandel	Deposition	Douglas County Dist.
Jun-03	Parker Water & Sanitation District	55.72 acres vacant land, Douglas County owned by Gwendolyn Mandel	Testimony	Douglas County Dist.
Aug-03	W. 72nd Ave. Extension	Boyer property, partial acquisition 7240 Kipling Street	Deposition Testimony	Jefferson County Dist.
Sep-03	T-Rex	Haynes Mechanical Building Greenwood Village	Deposition Testimony	Arapahoe County
Nov-03	T-Rex	Koelbel Property, E. Yale Cir. Total taking	Deposition Testimony	Denver District
Feb-04 Mar-04	City of Arvada	HK Newplan Property Arvada Plaza Shopping Center PE and TE acq./Rebuttal	Deposition Testimony	Jefferson County Dist.
Nov-05	City of Black Hawk	Yonkers & Tarbox Partial Acquisition	Deposition Testimony	Gilpin County Dist.
Oct-06	Dry Creek Reservoir	Appraisal Review, three owners	Deposition	Larimer County Dist.
Apr-08	Union Pacific RR Co.	UP v. Cline et.al.	Deposition	Grand County Dist.
Aug-09	RTD	Smita Merchant, Inc. (1370-1390 Wadsworth)	Deposition	Denver District
Sep-09	RTD	Naiman, et al.	Deposition	Jefferson County Dist.
Oct-09	RTD	Naiman, et al.	Testimony	Denver District
Oct-10	RTD	Quadrant Properties	Deposition	Denver District
Mar-11	Internal Revenue Service	C.L. Mitchell LLC	Testimony	Federal Tax Court